

New Europe? Malaise Drains Enthusiasm For Future

Brussels, Recognizing Fragility of Unity Plan, Puts Hold on Initiatives

By William Drozdiak

BRUSSELS — A week before Danes vote in a second referendum on the Treaty on European Union, a stillness hangs over European Community headquarters. It is as if the slightest rustle of bureaucratic initiative could topple the fragile foundations of Continental unity.

For more than four months, the process of building Europe has virtually ground to a halt. Fearful of making any move that could jeopardize approval of the treaty in Denmark and Britain, the Community's executive commission has abandoned its grandiose plans and sought to vanish into the political underground. The 10 other EC members have ratified the accord.

"This place seems more dead than at any time in the last 20 years," said a veteran Community official. "It's hard to see how the political momentum can be regained, even if the Danes and the Brits vote in favor of the treaty."

Treaty opponents have attacked the EC Commission for striving to build a superstate that would be run by faceless technocrats intent on dictating the lives of 340 million Community citizens. Those exaggerated claims contributed to Denmark's rejection of the Maastricht treaty on political and economic union last June and its near-defeat in France in September.

The Commission's diminished profile, some grudging concessions by Denmark's partners and a determined campaign to show the damage that a second rejection would inflict on the Danish economy were thought to have assured overwhelming approval for the treaty in the vote scheduled May 18.

The latest polls by the Gallup institute showed 48 percent intend to vote "yes" and 33 percent "no," with the remaining 19 percent of those surveyed either undecided or not planning to vote. But the outcome is far from a sure thing: Three days before last year's referendum, Gallup predicted a 56 percent "yes" vote; the Danes rejected the treaty on June 2, with 50.7 percent voting against it and 49.3 percent in favor.

The negative opinions appear to be based not so much on fears about the Community's ambitions than on its disappointments in recent months. As EC officials readily acknowledge, See EUROPE, Page 4



A Sarajevo man rummaging through a pile of rubbish on Tuesday, trying to find food left by UN peacekeeping forces from Egypt.

EC and U.S. Tempers Flare Over Dealing With War in Bosnia

BRUSSELS — The United States and its European allies moved into all but open conflict on Tuesday over how to deal with the war in Bosnia.

The European Community angrily denied on Tuesday a U.S. assertion that the European allies wanted to wait for a Bosnian Serbian referendum before deciding on possible military action aimed at ending the war. Denmark, which speaks for the 12-nation bloc because it now holds the rotating EC presidency, said the claim by Washington was "totally absurd."

In Washington, meanwhile, a member of the Senate Foreign Relations Committee, Joseph R. Biden Jr., Democrat of Delaware, accused European governments of self-delusion and hypocrisy for failing to support U.S. efforts to rescue Bosnian Muslims from what he called "fascist thuggery" by Bosnian Serbs.

"Let's not mince words," Mr. Biden said. "European policy is based on cultural and religious indifference, if not bigotry, and I think it's fair to say this would be an entirely different situation if the Muslims were doing what the Serbs have done. The truth of this is not lost on the Islamic world."

And President Bill Clinton, warning that continued fighting in Bosnia could spill over into nearby countries and threaten European stability, said: "I think the United Nations, the world community, can do more."

Mr. Clinton, asked if he was angry with the Europeans over alliance policy on Bosnia, replied:

"Well, let me, let me just say that I hope we can get a common policy that has a reasonable chance of working quickly. I think that's better

than for me to characterize it in that way. My job is to work with them and to do the best I can to get agreement, because we can't act alone and we shouldn't act alone. We've got to go together."

The growing trans-Atlantic rift threatens a crisis at the North Atlantic Treaty Organization, diplomats said, and is likely to convince the Bosnian Serbs and Croats that they can continue their assaults unchecked in Bosnia. Without a united Western front, it will be virtually impossible to forge a consensus at the United Nations for further action.

Although both sides are trying to play down suggestions of a rift in public, American and

Serbian forces try to block Muslims' return to "safe area" of Zepa, the UN charges. Page 4.

European diplomats and officials say privately that the situation looks bleak.

"There is an increasing sense of crisis, a sense of bitterness," a NATO diplomat said. "The Europeans look at the Americans as cowboys and the Americans are looking at the Europeans as wimps. The truth is there are no easy options."

Foreign Minister Niels Helveg Petersen of Denmark was visibly angry on Tuesday in responding to a U.S. statement on Monday that said it was putting off any decision on further action because European allies had asked it to wait until after the referendum, scheduled for this weekend.

Mr. Helveg said the U.S. statement "has no

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Yeltsin Dismisses 2 Key Conservatives

By Fred Hiatt

MOSCOW — President Boris N. Yeltsin dropped two key conservatives from his government on Tuesday, including one who had openly opposed him, as the president began to fulfill his promise to tilt toward reformers after his referendum victory on April 25.

Mr. Yeltsin's press service said in brief statements that both Yuri Skokov, who ran Russia's national security apparatus, and Deputy Prime Minister Georgi S. Khizha had been dismissed. Mr. Skokov, head of the Security Council, had been viewed as a powerful figure opposing rapid reforms. Mr. Khizha, a former factory

manager, was seen as a spokesman for the military-industrial complex.

Both men will receive other appointments, according to official statements.

Mr. Yeltsin has been criticized by liberals for not seizing the initiative more aggressively since the referendum, when 59 percent of voters expressed confidence in him and about 53 percent supported his social and economic policies. Boris G. Fyodorov, a deputy prime minister and advocate of radical reform, complained over the weekend that "we have already lost the first two weeks."

Since the referendum, Mr. Yeltsin has promised to push for a new constitution and early

elections to replace the conservative parliament that has blocked many reform proposals. He also promised to clean house and urged local officials to get rid of holdover bureaucrats and other foes of reform.

"Those who do not share our aims should simply leave, so as not to interfere with our work," Mr. Yeltsin said in a broadcast Thursday in which he claimed victory in the referendum. "I for one am now drawing my own conclusions and preparing my decisions."

The dismissals on Tuesday, after two long national holiday weekends, appear to be the

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Nunn Takes Navy's Pulse On Allowing Homosexuals

By Kent Jenkins Jr.

NORFOLK, Virginia — Senator Sam Nunn came here from Washington to inspect the toilets in the steamy stainless steel galleys of the aircraft carrier John F. Kennedy.

In considering whether homosexuals should be allowed to serve openly in the military, the chairman of the Senate Armed Services Committee wanted to know just how much privacy sailors have.

The answer was, not much. As Mr. Nunn, a half-dozen other committee members and 30 reporters accompanying them soon found out on their guided tour of restrooms of the Atlantic Fleet. At the Norfolk Naval Base, 200 miles (325 kilometers) south of Washington, sailors on a half-dozen ships delayed their showers and shaves while senators did their research.

"I think it was important for us to come down and see what it's actually like," said Mr. Nunn, a Georgia Democrat and leading opponent of President Bill Clinton's plan to end the ban on homosexuals in the military. "They are living in very close quarters, and they don't have any place to get away from each other."

In Washington, Retired Army General H. Norman Schwarzkopf said Tuesday that he accepted the current policy of not asking military recruits about their sexual orientation but remained opposed to openly homosexual people serving in the military. The Associated Press reported.

"I have no objection to leaving the situation exactly where it is now," General Schwarzkopf, who commanded American forces in the 1991 Gulf War, told the Senate Armed Services Committee.

What the senators heard from dozens of See SAILORS, Page 4



General H. Norman Schwarzkopf testifying Tuesday before the Senate Armed Services Committee. He argued against homosexuals serving openly in the military.

Kiosk

Moscow Vetoes UN Cyprus Plan

UNITED NATIONS, New York (Reuters) — Russia used its Security Council veto on Tuesday for the first time in nine years to block a British-sponsored resolution to revise the financing of the UN peacekeeping force in Cyprus.

The vote on the draft, to apportion the costs of the force among all UN members instead of relying on voluntary contributions, was 14 to 1, with no abstentions.

Britain estimates its annual contribution for the Cyprus force at about \$30 million. Russia's share would be less than \$2 million. But it said apportionment would be a bad precedent at a time when large new forces might be deployed elsewhere.

Business / Finance

Japan hit back at the United States in a report on trade practices. Page 11. Fordaria is selling its stake in the insurer AMB to German banks. Page 13. Foreign investors in Asia have learned to use official loopholes. Page 15.

Table with exchange rates: Dow Jones (Up 25.47, 3,468.75), Trib Index (Up 0.06%, 100.09), The Dollar (New York, Time, close, previous close), DM (1.8085, 1.8078), Pound (1.541, 1.5325), Yen (111.40, 111.85), FF (5.4235, 5.417)

A Rock and a Hard Place For Tokyo in Cambodia

By David E. Sanger

TOKYO — Only months after Japan began its first military venture abroad since World War II, the killing of two Japanese in Cambodia has triggered a national uproar here, forcing stunned government leaders to choose between condemnation at home for keeping unarmed nationals in the midst of the violence and condemnation abroad for trying to sweep them out of harm's way.

The attacks on Japanese peacekeepers have shattered the government's earlier public assurances that there would be no funerals, no Japanese blood spilled in the first real test of Japan's oft-stated commitment to contributing more to the world than just yen.

But rising violence in Cambodia, and the reluctance of Prime Minister Kiichi Miyazawa and other leaders to define Japan's interests in a country where it has few business or cultural ties, have raised angry calls to pull back or pull out, no matter what the cost to Japan's international reputation.

So far, the government has held firm, saying its peacekeepers will stay at least through elections that are to begin in less than two weeks.

But in recent days, Japanese officials have openly clashed with the head of United Nations peacekeeping operations in Cambodia, himself a Japanese national, over his refusal to permit Tokyo to recall Japanese civilian police to Phnom Penh in what appeared to be an effort to give them special sanctuary from the violence.

And with media and public pressure growing, Japan's leaders have been wavering on the question of just how much more death they can tolerate before the political costs become too high.

Government officials make no secret of the fact that they have been desperately trying to manage the public reaction to the deaths before pressure grows. But they have been repeatedly undercut by critical television and newspaper commentary and even a member of the cabinet.

Junichiro Koizumi, the minister of posts and telecommunications, emerged from a cabinet meeting the other day and declared that "while we have agreed to give our sweat, there is no reason we must give our blood" in the effort to restore peace to a land that a

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Arabs' Economic Boycott Of Israel Is Losing Its Edge

By Clyde Haberman

JERUSALEM — Step by step, government officials and business leaders here say, the decades-old Arab economic boycott of Israel has weakened to a point that many international companies now believe they can safely ignore it.

But the officials caution that while down, the boycott is far from out, and that it continues to scare away foreign businesses skittish about offending Arab countries, especially the oil-producing nations of the Gulf.

Israelis were heartened by recent news reports that Kuwait and Saudi Arabia had told the United States that as partial repayment for American leadership in the Gulf war they would stop two forms of the blacklist: a secondary boycott affecting American companies that trade with Israel, and a tertiary boycott of concerns doing business with the blacklisted companies.

boycott, which prohibits Arab countries and companies from commercial dealings with Israelis and which was created by the newly formed Arab League in 1946, two years before the creation of the state of Israel. Egypt, headquarters of the Arab League, dropped its own boycott laws after signing a peace treaty with Israel in 1979, although trade between the countries remains small.

Among other encouraging signs for Israelis were new anti-boycott regulations that went into effect last week in Germany. More than a week ago, on the heels of a Japanese government denunciation of the boycott, the heads of major Japanese trading companies came to Israel. While the visit produced no new contracts, the mere fact that it had taken place was considered significant, given Japan's faithful adherence to the boycott over the years.

Beyond that, Israeli officials and American Jewish groups are looking to the Clinton ad-

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Hong Kong's Wild Films Get U.S. Action

By Jeffrey Ressler

LOS ANGELES — Images flash by like lightning in "Savior of the Soul," a low-budget 1991 fantasy film in which a young vigilante fights off a supernatural punk named Silver Fox. Flying daggers zigzag across the screen.

The hero stuns Silver Fox with a yo-yo that changes into a sword. Both men defy gravity and joust in midair. The film is filled with enough slick special effects and editing tricks to make even George Lucas envious.

Welcome to the new wave of Hong Kong cinema — films characterized by comic-book images, hyperkinetic quick cuts and mind-boggling story lines. The 1987 film "A Chinese Ghost Story," for example, featured a rapping samurai, a descent through hell and a demon with a mile-long tongue. "Hard-Boiled" (1992) had enough gunplay to make "Lethal Weapon" look like "The Little Mermaid." There are dazzling martial-arts comedies, mystical sex sagas, even heartwarming coming-of-age dramas.

Aside from being made in Hong Kong, what unites these films is their style — a visceral

excitement, a sense that the action might jump off the screen.

Unlike American films, Hong Kong movies are produced in assembly-line fashion: a handful of studios churn out scores of potboilers, with stars sometimes running from one set to another in the same day. The films, often made in Cantonese or Mandarin, are dubbed for showings throughout Asia or subtitled for English-speaking audiences.

Along with the United States, India and Japan, Hong Kong is one of the world's leading producers of movies. Although a serious dramatic film is occasionally made there, most Hong Kong movies are action-oriented.

These high-octane, offbeat pictures tend to be shown in the United States at festivals or Chinatown theaters. But while appreciated heretofore by a small underground, they are beginning to reach a wider American audience amid both optimism and skepticism about their ability to stick off their cult status.

One manifestation of the phenomenon is "1993 Festival Hong Kong: Cinema of Blazing Passions," a two-week, 14-film series devoted to

the Hong Kong style, opening on Thursday in New York.

"Audiences always want to see something new," said the director John Woo as he ate steamed chicken's feet in an elegant Mandarin restaurant near the Universal Pictures studio in Los Angeles.

Harald as the Asian counterpart to Sergio Leone or Sam Peckinpah, Mr. Woo makes heavily stylized action films of soulful gangster angst and slow-motion carnage, including "A Better Tomorrow" (1986) and "The Killer" (1989), hailed as prime examples of the Hong Kong school.

"American movies have too many traditional formulas and plots," he said. "Hong Kong movies have a wild look of freedom about them." Last year, Mr. Woo moved to Los Angeles from Hong Kong and signed a multipicture deal with Universal that begins this fall with "Hard Target," a gun-happy thriller starring Jean-Claude Van Damme.

Says Oliver Stone, the director of "Platoon" and "JFK": "These movies have always been a

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JAVICO 1350

# Children of the 'Disappeared' Emerge from Darkness

By Nathaniel C. Nash

**BUENOS AIRES** — As 17-year-old Daniela Furci sat crying in the chambers of a judge last June, he took her green identification card, ripped it up and ordered her to get a new one with her real name, Mariana Zaffaroni. He warned her never to use the name Furci again.

Two days earlier, a blood test proved that she was not the child of the Argentine couple who had raised her but the daughter of slain Uruguayan leftists. The man she had assumed was her father, a former secret police agent named Miguel Angel Furci, had played a part in kidnapping her mother and father when she was 18 months old.

Mariana's real parents were among some 9,000 Argentines and Uruguayans who were made to "disappear" in the 1970s, when rightist military governments waged what came to be known as a "dirty war" against those suspected of being leftists or subversives.

"There is no precedent that I know of for this type of case — the secret police systematically stealing the fruit of the womb of the people they tortured and killed," the judge, Roberto Marquovich, said.

With thousands of Argentine and Uruguayan children forcibly deprived of their parents, courts and psychologists are grappling with an especially difficult issue as a few dozen approach adulthood: can, or should, courts require that teen-agers stolen in infancy return to their biological relatives if they insist on staying with their adoptive families?

On the day that Judge Marquovich ripped up Mariana's identity card, he ordered the arrest of Mr. Furci and his wife, Adriana Maria Gonzalez de Furci, on charges of kidnapping, illegal imprisonment of a minor, and falsification of documents. In March, Mr. Furci was sentenced to seven years in prison and his wife to three.

Although Judge Marquovich barred Mariana from living with her adoptive parents, he essentially allowed her to remain in the same family by awarding custody to Mrs. Gonzalez de Furci's mother.

When adolescents like Mariana find out about their past, adjusting to the truth can be excruciating. The girl refuses to speak publicly about the case but has told the courts that she wants to remain with the Furci family. She has also asked that her

grandmother, who struggled for years to recover her, not call her any more.

An association of grandparents, the Grandmothers of the Plaza de Mayo, has documented more than 200 cases in which the children of imprisoned Argentines or Uruguayans were abducted during the dirty war — delivered into the hands of their captors, shipped off to orphanages without a trace of identification, or abandoned in city parks as far away as Valparaiso, Chile.

For several years in the late 1970s, the Argentine police also ran a baby-trafficking network in which the infants of jailed leftists were funneled to childless families of military and police officials.

Today, the majority of those children are believed to be unaware of their true origins. Some live with their parents' old adversaries, in a world of secrets, or with couples who never knew exactly where they came from but adopted them without breaking any law.

For the adolescents who learn the truth, "it's a shock you cannot explain," said Dr. Juan Carlos Volnovich, a psychologist who has worked with children of people who vanished in the 1970s.

"You just have to imagine what it is like to say to a 16-year-old boy or girl that the two people they have called Mommy and Daddy all their lives are not really Mommy and Daddy — that they in fact killed Mommy and Daddy," he said.

Although the psychological and legal plight of such children has drawn the attention of human rights groups, organizations seeking to return them to their biological families receive little aid from either country's government. Government officials and judges have often blocked efforts to track down the children, and amnesty and pardons have exempted many military and police officers from prosecution.

Still traumatized by the memory of armed men pulling up outside their homes and carrying neighbors off into the night, Argentine society as a whole seems to avoid confronting the recent past, imposing a kind of self-censorship lest the specter of new military coups resurface.

Despite the obstacles, hundreds of relatives vow to keep searching until they draw their last breath.

The center of the search is in a small fourth-floor office in Buenos Aires, the base of the grandmothers' group. Founded in 1977 as an offshoot of the better-known Mothers of the Plaza de Mayo, the grand-

mothers' purpose is simply to recover their children's offspring, having all but given up hope of ever finding their children.

For years, their quest was considered quixotic because of the difficulty of proving that anyone was the grandparent of a specific child. But in 1988, a blood test was developed that could link the genetic makeup of children and grandparents with 95 percent accuracy.

In all, the group has compiled a list of 217 abducted grandchildren, including several whose mothers were pregnant when they entered Argentina's one-way prisons between 1976 and 1980. The vast majority were born to Argentines. The second-largest group, 10, were born to Uruguayans.

The fate of 163 remains unknown. Of the 54 children who have been traced, seven were killed by the police, 25 have been restored to their biological families, 13 have stayed with nonfamily families who adopted them in good faith, and nine cases remain in dispute.

"The captors think they own these children, and they say they love them," said Estela Barnes de Carlotto, president of the grandmothers' group. "You can't love a child who you robbed and are still lying to about who they are."

## WORLD BRIEFS

### Waigel Seen as Next Bavaria Premier

**BONN (Reuters)** — Speculation mounted here Tuesday that Finance Minister Theo Waigel might soon give up his job of trying to restore order to Germany's post-unity finances and return to his native Bavaria as premier.

Die Welt, a conservative daily with good contacts in Chancellor Helmut Kohl's coalition, reported that Mr. Waigel was ready to replace the Bavarian premier, Max Streibl, who is under pressure to quit for accepting vacations paid for by a businessman.

The newspaper speculated that Interior Minister Rudolf Seiers might take Mr. Waigel's place at the Finance Ministry. Mr. Seiers said the reports were speculative, but he did not deny them outright. "We'll have to wait and see and watch developments," he said at a news conference.

### Major Holds Meeting With Rushdie

**LONDON (Reuters)** — Prime Minister John Major met Salman Rushdie on Tuesday in what was intended as a strong signal to Tehran of Britain's intention to step up efforts to free the author from an Iranian death decree.

Mr. Rushdie, who has lived under police protection for more than four years, said he had been greatly encouraged by his first meeting with a British prime minister since the death order was issued in 1989.

The author said that Mr. Major had reiterated that "what Iran has done is totally unacceptable." Ayatollah Ruhollah Khomeini ordered Muslims to kill Mr. Rushdie, accusing him of blaspheming Islam in a novel.

### Sudan Mobilizing Near Egypt Border

**CAIRO (Reuters)** — Sudan said Tuesday that it was mobilizing to face a border dispute with Egypt that threatened regional security. An Egyptian Foreign Ministry official said he could not confirm or deny that Cairo had warned Khartoum or given it an ultimatum over the border area of Halaib. The situation on the ground in Halaib was not clear.

Sudanese radio, monitored by the BBC, said that Ghazi Salah Din, minister of state at the presidency, had reviewed the "Halaib issue and said Sudan would be taking mobilization measures in this regard." It did not give details.

The Sudanese interior minister, Brigadier Abdel-Rahim Mohammed Hussein, said Sunday that Egypt had given Khartoum an ultimatum to withdraw police in and near the desert triangle of Halaib. Egypt and its state-controlled media accused General Hussein of trying to fabricate a crisis.

### Turkmenistan Trade? See Al Haig

**WASHINGTON (AP)** — Turkmenistan, one of the least known and most remote of the former Soviet republics, has hired former Secretary of State Alexander M. Haig Jr. to help it attract U.S. business.

Mr. Haig and a Virginia businessman, Michael Ansari, are partners in a venture that will net them a percentage of deals struck by American companies there. The central Asian nation is rich in natural gas and oil and was a major exporter of cotton when it was part of the Soviet Union. Mr. Ansari said that U.S. companies that want to do business in Turkmenistan "will be doing the business through us and with us." Asked if he and Mr. Haig would be the exclusive agents for Turkmenistan, Mr. Ansari demurred and said they would be "more like a conduit."

President Saparmatrad A. Niyozov, who was elected in 1990 with 99.5 percent of the vote and is the former head of the Communist Party, permits no political opposition or free press. One U.S. official, speaking anonymously, called Mr. Niyozov "a warm and fuzzy dictator," adding that the opposition was "brutally repressed."

### Ex-Communist Held in Italy Scandal

**ROME (Reuters)** — Italy's former Communists were in danger of being drawn into the country's huge corruption scandal on Tuesday when one of the top officials of the former party was arrested in a bribery investigation of the state railway system.

Judicial sources said Renato Polini, who was administrative secretary of the Communist Party, now renamed Democratic Party of the Left, was held in Florence for suspected illegal financing of political parties. The party has strongly denied receiving funds from groups bidding for contracts from the Ferrovie dello Stato, the state railway. "These reports are just a defamatory press campaign," a party spokesman said Tuesday.

The new blow to the former Communists coincides with a walkout by a 30-member left-wing faction to protest the decision by the party leader, Achille Occhetto, to back the new government of Prime Minister Carlo Azeglio Ciampi.

## TRAVEL UPDATE

### South Africa Hopes for More Tourists

**DURBAN, South Africa (Reuters)** — South Africa wants a major share of the international tourism market to help rejuvenate a battered economy as the country moves toward democracy.

But Tourism Minister Bhadra Rauch conceded at a news conference that violence wracking the country would have to be halted before an influx of tourists could be expected.

Official statistics show about 560,000 foreigners visited South Africa in 1992, an increase of 7 percent from a year earlier. South Africa hopes to draw 1,960,000 foreigners by 1995 and 1.7 million by the end of the century.

French rail workers held a 24-hour strike Tuesday to protest planned job cuts, disrupting train traffic in several regions.

Dutch commuters walked to work Tuesday as public transport employees in Amsterdam went on strike for a day for more pay.

Smoking will be phased out on Chinese international flights, civil aviation authorities said in Beijing, starting with a ban applied to Hong Kong routes effective July 1, the Workers' Daily said.

Alarmed by a rash of train robberies, China's Ministry of Railways has ordered stricter security, China Daily reported.

Bangalore's airport will be upgraded by Indian aviation authorities, and the country's airport administrative bodies will be merged. The Bangalore project is expected to be completed within 18 months.

Fearing U.S. competition, the Chilean Airlines' Association asked the government in Santiago on Monday to intervene with U.S. authorities to prevent two U.S. carriers, United Airlines and American Airlines, from expanding their services from Chile.

## Rabin Defuses Crisis, Central Figure Calls It A 'Surrealistic Play'

**JERUSALEM** — Prime Minister Yitzhak Rabin averted a government crisis on Tuesday that had threatened his parliamentary majority, but he may have only delayed the day of reckoning by a week.

While the unresolved political drama contains elements that prompted one of its central figures to call it "a surrealistic play," it is also a serious business that has distracted and perhaps weakened the Rabin government at a time when it would prefer to put full energy into the Middle East peace talks under way in Washington.

Those negotiations hit yet another of their many snags this week when the Palestinians greatly scaled back the size of their delegation to protest what they called a "lack of seriousness" in Israeli proposals for Palestinian self-government in the occupied West Bank and Gaza Strip.

The political crisis started at Mr. Rabin's weekly cabinet meeting on Tuesday, but it could cost him his assured majority in parliament if it is not resolved in the next week.

The core issue is a threat by Interior Minister Aryeh Deri, leader of the ardently religious Shas, to quit the governing coalition unless Mr. Rabin gets rid of the ministers of education and culture, Shimon Peres, and the leftist Meretz bloc and a secularist who has of-



**BAGHDAD-BOUND** — Iraqi truck drivers waving their passports in celebration at the Jordanian-Iraqi border Tuesday. Iraq opened the border after a surprise six-day closing, during which it invalidated old visa notes and allowed only Iraqi residents to exchange them for new ones. Baghdad closed that Iraq's opponents had been planning to use the old notes to disrupt its economy.

## Iraqi Bomb 'Signature' Seen in Bush Plot

**WASHINGTON** — The car bomb found by the Kuwaiti authorities in a suspected assassination plot against George Bush, the former president, bears a striking resemblance to the sophisticated explosive devices used by Iraqi agents in attempted terrorist attacks during the Gulf War, U.S. officials say.

They said an examination of the weapon by federal investigators and American intelligence experts had found its detonating mechanism and other crucial components to be almost exactly the same as those in weapons assembled by the Iraqis in several earlier thwarted attempts.

That distinctive signature represents the most powerful evidence yet pointing to Iraqi government sponsorship of the plot, the officials said. But they said American investigators intended to interview at least some of the 16 suspects in the case who are now in Kuwait custody before making any judgment about Iraqi responsibility.

Clinton administration officials said it would be at least several

days before such a determination could be made. But congressional leaders from both parties urged Monday that the United States respond quickly and with military force if Iraqi sponsorship could be proven.

Richard G. Lugar of Indiana, the ranking Republican on the Senate Foreign Relations Committee, said that in such a case he would favor "sure and swift" American military retaliation against Iraqi terrorist bases. Dennis DeConcini, Democrat of Arizona, chairman of the Senate Select Committee on Intelligence, agreed.

## U.S. Stalls on Giving Embassy Jobs to Americans

**WASHINGTON** — Almost two years after Congress decided U.S. citizens could compete for previously restricted jobs in American embassies abroad, the State Department continues to prevent its far-flung outposts from hiring Americans.

Department officials say the delay comes from difficulties involved in implementing the law. But disappointed job seekers and their allies in Congress contend that the department has turned a straightforward legislative directive into a bureaucratic nightmare.

At issue are approximately 9,400 positions — among them those for drivers, cooks, clerks, secretaries, accountants and translators — that for years were filled only by foreign nationals. In July 1991, Congress

agreed that the practice amounted to discrimination against Americans and passed legislation opening the jobs to U.S. citizens.

The World Federation of Americans Abroad, a private organization of about 130,000 members, says that since then, thousands of Americans have applied for the jobs only to be told that they can't be hired because the State Department does not have an employment policy for them.

The principal problem, everyone agrees, is the department's insistence on devising pay scales for different jobs in different countries that are comparable to the going rate for similar positions in the United States. The department also wants to classify American hires as temporary employees and provide fewer fringe benefits than those for foreigners.

Federated and congressional staffers say that this approach conflicts with the intent of the legislation when Senator John D. Rockefeller 4th, Democrat of West Virginia, proposed it. In a March 3 letter to J. Brian Atwood, undersecretary of state for management, Mr. Rockefeller said that his idea was to give American employees salaries and benefits equivalent to what foreign nationals are paid by U.S. embassies. To do otherwise would discriminate against U.S. citizens, he said.

"It doesn't take a rocket scientist to understand that point," said one congressional staff member. "But the State Department continues to insist that it must have a different scale of pay, benefits and job security for Americans. When you consider that they're trying to work out a system applicable to some 150

## Japan, Upset Over Sanctuary Plan, Threatens to Quit Whaling Group

**KYOTO, Japan** — A French plan to create a whale sanctuary in the Antarctic Ocean passed a preliminary hurdle Tuesday at the International Whaling Commission, prompting a new Japanese threat to quit the group.

Environmentalists welcomed the vote in favor of the measure by the commission's technical committee, but acknowledged that the plan would face a tough fight when it came before the full commission, probably on Thursday.

"Obviously, we're pleased," said Kieran Mulvaney of Greenpeace. "It's a moral victory."

A Japanese Foreign Ministry official said, "France was very much determined to put this proposal to a vote. We are very disappointed that the proposal was passed by the committee."

Delegates who attended the closed session said that the Japanese commissioner, Kazuo Shimizu, warned before the vote that Japan would consider quitting if the measure was not approved.

Mr. Shimizu said before the five-day meeting began on Monday that Japan might leave the commission if a moratorium on commercial whaling was extended.

The proposal needed only a simple majority in the technical committee, but it will require approval of three-quarters of those voting in the full commission, with abstentions not counted. The technical committee's vote was 13 to 5, with 10 abstentions, delegates said.

The French proposal, which has U.S. support, would establish a whale sanctuary in the waters south of 40 degrees south latitude for a period of 50 years, when it could be reviewed.

The measure has been strongly opposed by the Japanese government. Tokyo also has mounted a campaign for the resumption of commercial whaling, which has been subject to an international moratorium since 1986.

Norway, which is resuming whaling despite the moratorium imposed by the committee, also is pressing for it to be ended. Iceland, which quit the group last year over the moratorium, says it is considering resuming whaling.

Japan and Norway want to hunt minke whales, a species they say is not endangered.

Both countries welcomed estimates by the scientific committee that the species could be hunted in limited numbers without depleting stocks, but the panel made the same finding last year and the commission still voted to keep the moratorium.

The issue is a symbolically important one in Japan, which says that whaling is part of its tradition and that the ban on commercial whaling amounts to foreign interference.

Despite heavily financed lobbying to reverse the global ban, Japanese officials now say Tokyo may gain nothing from the Kyoto conference.

"Considering what is happening here now, I feel there is no point in hosting a huge conference like this," a Foreign Ministry official said. (AP, AFP, Reuters)

## U.S. Approves Female Condom For Marketing

**WASHINGTON** — The last regulatory barrier to Reality — the long-awaited female condom — has fallen, the device's manufacturer announced.

Wisconsin Pharmaceutical Co. obtained Food and Drug Administration approval for U.S. marketing.

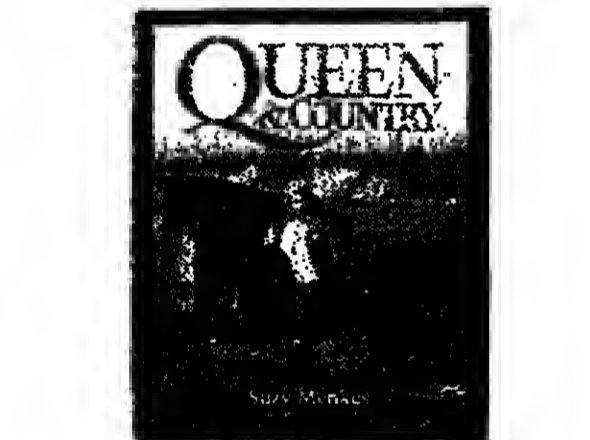
"It's been a long 3 1/2 years trying to get to this point," said John A. Wundrock, chief executive officer of the company.

The condom is a lubricated sheath with a flexible plastic ring on each end, of which one remains outside the body. Some users have said it is cumbersome to use, aesthetically unappealing and noisy.

But it is the first "barrier" contraceptive for women that also offers some protection against sexually transmitted diseases. The agency required certain warnings on the product's label, including a notice that for "highly effective protection" against sexually transmitted diseases such as AIDS, it is important to use latex condoms for men.

The label must also state that the pregnancy rate for users, approximately 26 percent per year, is higher than rates for other women's barrier contraceptives, such as diaphragms. The company said this was attributable to misuse of the new device and that rates would drop with time.

## The Royal Family In Rural Mode.



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A graduate in history from Cambridge University, Suzy Menkes is the fashion editor of the IHT. Her previous books include the bestselling *The Royal Jewels* and *The Windsor Style*.

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# STATESIDE / PRESIDENT MAKES HIS PITCH



President Bill Clinton seeking grass-roots support for his domestic agenda. He spoke to members of the City Club of Cleveland.

## On Economy, Clinton Woos Grass Roots

By Paul F. Horvitz  
International Herald Tribune

WASHINGTON — After only a few months in office, President Bill Clinton seems to have given up trying to influence members of Congress on his own. He wants help, and on Tuesday in suburban Chicago he even asked high school students to lend a hand.

In another campaign-style speech, the president returned to the high-profile sales pitch that he perfected during the 1992 presidential campaign.

The White House, it appears, believes that selling the public on Mr. Clinton's political agenda and attacking the lobbyists who stand in its way is the surest way to motivate reluctant members of Congress.

A related goal may be to raise Mr. Clinton's public approval rating so that Democrats in Congress will feel more politically comfortable following his lead.

The pitch on Tuesday was for the president's plan to revamp the college loan program to make higher education more accessible to middle- and lower-income students.

But the approach was the same that Mr. Clinton employed on Monday in a speech to the City Club of Cleveland.

At Fenton High School on Tuesday, he said that changing the loan program would be difficult "be-

cause in the system we have, the people that are making plenty of money out of the present system will fight it, and they will hire lobbyists who make their money by trying to influence the Congress."

"No sooner had I even mentioned changing this system than Congress was deluged with lobbyists," he added.

He did not explain to the students why members of Congress, most of whom belong to the president's own political party, are more likely to listen to lobbyists than to the White House. Instead, he simply asked for a little lobbying from the grass roots.

"It is your life that's on the line, it is your future that's on the line," he told the students.

"If you want a better chance to pay for a college education, he said, then you need to tell your members of Congress, without regard to their political party, that you would like to have a better future and this is a change that you want made."

It is unclear how clearly grass-roots support for Mr. Clinton's economic agenda will be heard in Congress. Increasingly, associations and lobbying groups in Washington employ telephone, facsimile and letter-writing campaigns that are generated directly from congressional districts rather than the capital.

Another theme of Mr. Clinton's during this week's presidential road trip is nonpartisanship. Americans indicated clearly during the 1992 campaign that they were tired of partisan politics creating legislative "gridlock" in Congress.

Mr. Clinton, a Democrat, believes he can be more effective by remaining above overt political maneuvering, and his aides believe that harsh Republican attacks of the past two months will backfire.

Thus, he declared on Tuesday: "What I tried to do is to put these problems high on the national agenda and try to ask people to lay down their partisan armor."

He said the worst approach was to "stay in paralysis."

White House aides may also have high hopes that presidential travel will provide Mr. Clinton with more favorable local press coverage than he receives from the Washington-based press corps.

On Monday night, Mr. Clinton dined with the chairman of the House of Representatives' chief tax-writing committee, Dan Rostenkowski, Democrat of Illinois.

Mr. Rostenkowski was pushing, and talking optimistically about, a compromise under which Mr. Clinton would drop his investment-tax credit proposal and use the freed-up money to scale back the request for higher corporate taxes.

"I don't think the president has absolutely committed to it," Mr. Rostenkowski said, although a senior Clinton aide said such a deal was in the works. Also on the table were details of carrying out Mr. Clinton's proposal for a new energy tax.

The president acknowledged Tuesday there was something in his package for everyone to hate. But more importantly, he said, the full package would reduce the deficit and begin strategic "investments" in education, children, welfare reform and his national service program.

Mr. Clinton delivered a mild rebuke to Republicans who have tried to block him, but he also held out an olive branch of bipartisanship and cast lobbyists as his plan's greatest enemy.

Referring to public perceptions of the influence of special interests, a Republican poll-taker, Gleo Bolger, said, "Both parties are seen as captives, particularly the party that is in power." He said recent research indicated that this perception of Mr. Clinton was particularly acute among independents and supporters of Ross Perot.

"I don't know if he can pull it off, but there is a lot of mileage in taking on lobbyists," Mr. Bolger said.

### ★ POLITICAL NOTES ★

#### U.S. to Rehire Air Controllers Fired in '81

WASHINGTON — The Clinton administration has decided to invite air traffic controllers dismissed in their 1981 strike to reapply for their former jobs, according to administration and congressional officials.

The controllers, barred from re-employment by President Ronald Reagan, would be allowed to seek reinstatement after the administration decides how many are needed, what criteria to use in their rehiring and what retraining they would require.

The plan to send the controllers back to their jobs is being developed jointly by the departments of Labor and Transportation and the Office of Personnel Management. They hope to send their recommendations to President Bill Clinton this week, the officials said. It is not known when he will act on them.

How many of the controllers would return and how quickly was also unclear. The National Air Traffic Controllers Association, which is affiliated with the AFL-CIO, estimates that 3,000 of the 11,400 controllers who were dismissed are interested in returning to work. But the Federal Aviation Administration contends there is no shortage of air traffic controllers and plans to hire only 200 more this year.

The administration's action comes amid mounting pressure from Democrats in Congress who consider the ban on re-employment unjustly punitive. They believe that just as the ban became a defining moment for Mr. Reagan, showing that he could not be taken lightly when federal workers defied the government, rehiring the controllers would have symbolic weight for Mr. Clinton as well, signaling a more compassionate, pro-labor stance. (NYT)

#### Fewer Smoke-Filled Rooms for Washington

WASHINGTON — House leaders have limited the number of smoke-filled rooms and temporarily banned smoke-filled corridors on their side of the Capitol.

A ban on smoking in public areas of the House half of the Capitol and House Office Buildings, except in designated areas, went into effect after a notice from Speaker Thomas S. Foley, Democrat of Washington. The architect of the Capitol has yet to designate smoking areas and may take a month to do so, a spokesman said.

Members and committee chairmen have retained the privilege of deciding whether smoking is allowed in their personal offices or committee rooms. Directors of support services also have the right to set smoking policy in their offices. (WP)

#### D.C. Ways: From Frozen Crops to Job Freeze

WASHINGTON — This is Washington at work: A senator bludgeoning the bureaucracy to get something for his constituents. In this case, Maine's potato farmers lost an estimated \$75 million last year — well over half of average annual sales — because of bad weather. In northern Maine, the loss amounted to 25 percent of the economy.

Senator William S. Cohen, Republican of Maine, was concerned that the Agriculture Department had not been forthcoming with aid from a crop disaster assistance program. So he put a hold on the nominations of five senior department officials after their confirmation hearings before the Senate Agriculture Committee on April 28.

The move got attention from the department, which last week made some aid available. It comes to "about \$20 million," an aide said. "The question now is to make sure they are going to get the kinds of aid promised. Once he's satisfied, he will lift the hold."

That may not come immediately. "There's a lot of space between \$20 million and \$75 million," an official said. (WP)

#### Challenge to Packwood Unnerves Panel

WASHINGTON — Members of the Senate Rules and Administration Committee expressed strong reservations about a challenge to the 1992 re-election of Senator Bob Packwood, Republican of Oregon, during an extraordinary public hearing Monday into charges that he defrauded voters by lying about alleged sexual misconduct.

While delaying a formal decision, committee members of both parties — including the one woman on the panel — indicated they feared that a decision to unseat Mr. Packwood would create a dangerous precedent, threatening chaos in Senate elections. (WP)

#### Quote/Unquote

"I think most of you want us to do something and I think you want us to be bold." — President Clinton, in support of his economic package. (AP)

#### Away From Politics

• A government laboratory is a major source of hazardous waste, the Environmental Protection Agency said. The Agriculture Department lab, in Beltsville, Maryland, releases pesticides, cadmium, lead and mercury, and should be on a list of federal cleanup sites, the agency said.

• Three workers were killed and two injured when a drawbridge at Daytona Beach, Florida, suddenly rose as it was being repaired and sent 8 tons of steel flying, crushing the workers, authorities said.

• Federal approval of the antibiotic clarithromycin for treatment of a common AIDS-related infection, mycobacterium avium complex, should be given quickly, expert advisers recommended to the Food and Drug Administration.

• Breast-feeding helps reduce ear infections in infants by up to 50 percent, a new study found.

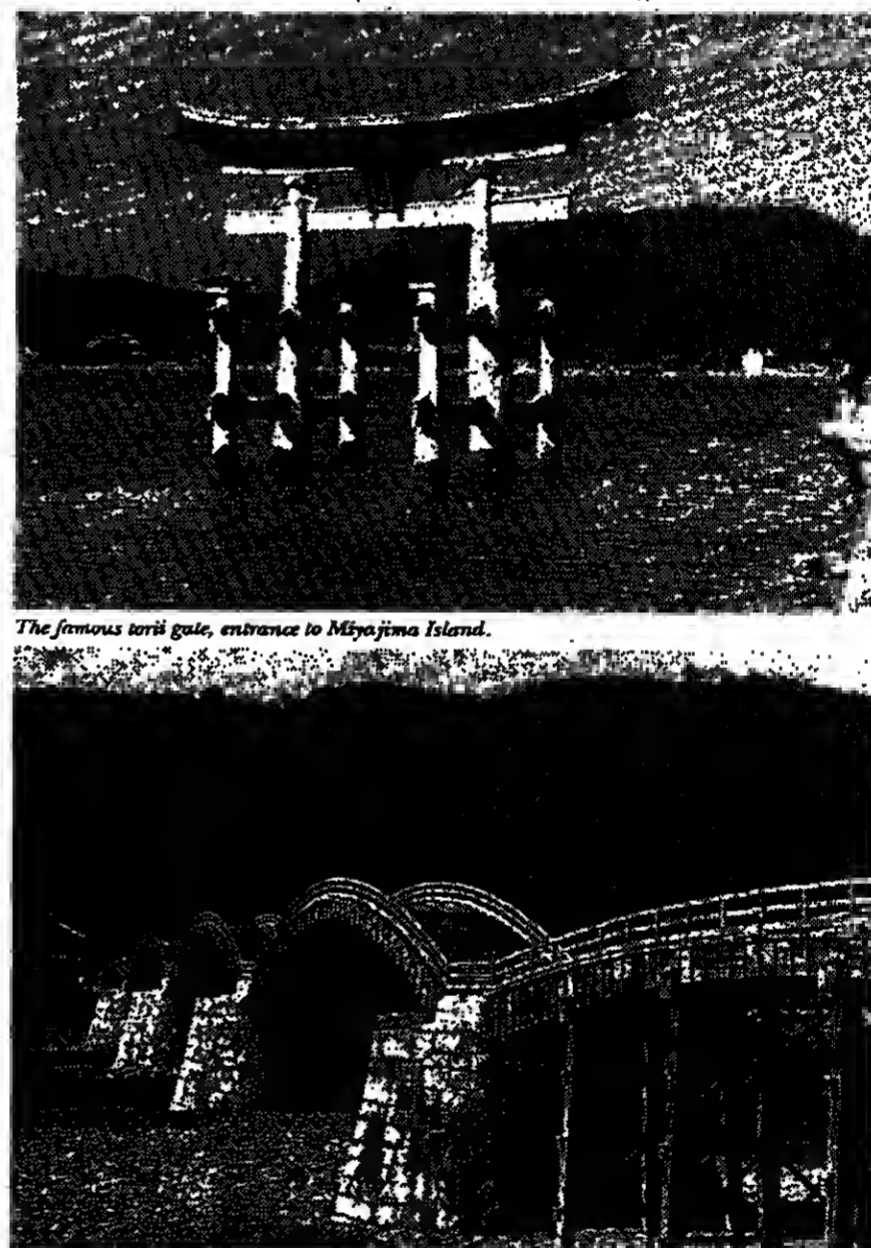
• The C-17 cargo aircraft is in danger of being canceled, McDonnell Douglas Corp. was told by John Deutch, the undersecretary of defense for acquisition. He said the company must meet "contract requirements, particularly schedule specifications and testing requirements."

• A police officer shot in the head three weeks ago in a Brooklyn, New York, station house has made what doctors call a remarkable recovery. Mary Clare Capostoto, leaving the hospital, said she would not remain on the force. "Seven years," she said, "I've done my time above and beyond the call of duty." (AP, Reuters, NYT)

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# Serbs Try to Block Muslims' Return To UN 'Safe Area'

**By John Pomfret**  
*Washington Post Service*

SARAJEVO, Bosnia-Herzegovina — Serbian forces are trying to prevent thousands of Muslims from returning to their homes in the United Nations-mandated "safe area" of Zepa by banning UN relief officials and aid from the town, officials said Tuesday.

They said the move marked a significant violation of a cease-fire and demilitarization agreement signed last week.

The de facto blockade of the enclave threatens thousands of lives, said Larry Hollingworth, chief of operations for the UN High Commissioner for Refugees in Bosnia. Most of the town's 6,500 people and many of the 35,000 refugees who had fled to the enclave over the last few months escaped into the surrounding forests after a Serbian artillery attack last week.

The development, UN officials said, exemplifies a Serbian tactic of carrying out just enough of an accord to defuse international pressure but not enough to reverse a continuing campaign to push Muslims from their homes. Further, they said, it raises questions about the establishment of more UN "safe areas," five of which were mandated by the UN Security Council last week.

On Monday, European Community foreign ministers backed the concept of safe areas in Bosnia as a way out of the conflict. Under that idea, besieged territory would be demilitarized and opened to humanitarian aid.

But UN officials said that if Zepa or Srebrenica, Bosnia's first safe area, where water installations have yet to be repaired despite Serbian promises — were serving as models, they wanted no part of the concept.

"It clearly did not save Zepa, and it probably won't save anywhere else," Mr. Hollingworth said. "What good is a safe area in a ghost town?"

Under the agreement signed Saturday by Ratko Mladic, commander of the Bosnian Serb military that dominates about 70 percent of Bosnia, a company of UN troops from Ukraine and France and military observers went to the town to disarm Muslim fighters remaining in its center.

At the same time, Mr. Mladic agreed to grant passage for aid, building materials, medicine and clothes into Zepa, which since March 4 has survived on goods dropped by the American, French and German air forces. So far, despite repeated attempts, no aid or official has been allowed in.

Mr. Hollingworth said he believed the Serbs were prohibiting aid into the area because they wanted to discourage Muslims from returning to their homes.

"As far as the Serbs are concerned, they have achieved their aim," Mr. Hollingworth said. "Fine — you've got UN military observers in the town. Fine — you've got a Ukrainian battalion in. But there's nobody there. All the people have fled. If that's not easy ethnic cleansing, I don't know what is."

On Monday night, Mr. Hollingworth was forced at gunpoint to leave the eastern city of Rogatica after local Serbian commanders refused to let him travel to Zepa even though he was carrying a Bosnian Serbian army letter of permission.

"Every day it gets more aggressive," Mr. Hollingworth said of the treatment he receives from the Serbs. "They know that if I get in, I'm going to tell people to go back home, that Zepa belongs to you. I know the Serbs don't want that."

The troubles concerning Zepa are illustrative of a crisis faced by the UN operation to save the needy in Bosnia, which, 13 months into the conflict, is confronting the law of diminishing returns. Throughout the war-ravaged country, attacks have escalated on UN aid convoys and their drivers; representatives of the UN High Commissioner for Refugees are being banned from Muslim enclaves in areas controlled by Croats or by Serbs; and Croat and Serb roadblocks have cut off large parts of Muslim territory from aid convoys.

"We are delivering less and less food because of troubles on the roads," said José María Mendiluce, chief of the high commissioner's operations in the Balkans. "The main question is, for how long can we continue to guarantee the life of the people."

As if external problems weren't enough, the humanitarian effort also has been beset with difficulties inadvertently caused by UN actions — most recently, Security Council Resolution 820, which tightened the economic embargo on Serbia and Montenegro. The resolution has blocked the UN from bringing 100 trucks of food and supplies into Serbia; they are currently stuck in Hungary and Austria, costing the high commissioner \$33,000 a day.

"Brave bureaucrats are to blame for this one," Mr. Mendiluce said. He said his agency had asked the UN's sanctions committee to allow the aid, most of which is destined for Muslim communities in eastern Bosnia, to enter Serbia.



A striking rail worker sitting on a baggage cart Tuesday in Zagreb. Croatian rail employees halted work for a second day, blocking international trains, over the government's failure to pay salaries.

# Croats Evict Muslims as Cease-Fire Fails to Take Hold in Bosnian City

**Compiled by Our Staff From Dispatches**

MOSTAR, Bosnia-Herzegovina — Bosnian Croat troops marched hundreds of Muslim civilians down a mountain track to detention in a factory on Tuesday after evicting them from their homes in embattled Mostar, witnesses said.

A photographer for Reuters news agency saw up to 300 Muslim men, women and children being hustled down a slope by Croatian militiamen.

The photographer, Corinno Dafka, talked to the Muslims be-

fore Croatian militiamen ordered her at gunpoint to leave. They said they had been removed from their homes in Mostar, herded onto buses and taken away under guard.

None of the detainees had any possessions. Many walked unsteadily down the slope, clutching their loved ones and crying.

Fighting between Croats and Muslims was stepped up in Mostar on Tuesday in defiance of a cease-fire agreed by their leaders.

United Nations peacekeeping officials said some 60 rounds of heavy artillery rocked the city for

an hour during the afternoon, but it was not immediately known who fired them.

In the fighting Tuesday, Croatian forces were trying to push the Muslims across the Neretva River to the east bank. On Monday, the Croats captured the army headquarters in the city.

Artillery, heavy machine-gun and sniper fire echoed through Mostar all day Tuesday, rattling a treaty agreed to Monday by Alija Izetbegovic, Muslim president of Bosnia, and Mate Boban, leader of the Bosnian Croats. (Reuters, AP)

# Milosevic, Pressuring Bosnia, Sets Up Pan-Serbian Meeting

**By David B. Ottaway**  
*Washington Post Service*

BELGRADE — The Serbian president, Slobodan Milosevic, continuing his effort to put pressure on the Bosnian Serbs, announced plans Tuesday for a joint meeting on Friday of Serbian deputies from assemblies in Yugoslavia and the former Yugoslav republics to ratify the UN peace plan for Bosnia.

Such a meeting would place the rascally self-styled parliament of the Bosnian Serbs in a minority, since the parliaments of Serbia and Montenegro, the two republics making up the rump Yugoslav federation, have approved the plan by large majorities.

The Bosnian Serbs' parliament refused last Thursday to approve the plan for the third time and

voted instead to hold a referendum this weekend in Serb-held areas of Bosnia. It would decide on the plan's fate and whether the Bosnian Serbs should unite with Serbia itself.

It is this referendum, almost certain to reaffirm rejection of the UN peace plan, that Mr. Milosevic is seeking to abort through his proposal for a joint meeting of all Serb parliaments.

There was no immediate word from the leader of the Bosnian Serbs, Radovan Karadzic, whether his assembly would accept to resolve the intra-Serb dispute over the peace plan in such a manner.

Acceptance of the plan would require the Bosnian Serbs to abandon their attempt to establish a separate republic inside Bosnia as part of a "greater Serbia" and also

would require them to give up about 30 percent of the land they have conquered in the 13-month civil war.

Mr. Karadzic, who says he has been banned by Belgrade from entering Serbia, was allowed back on Tuesday for consultations together with the head of the Bosnian Serb assembly, Momcilo Krajcinovic.

[The Serbian prime minister, Nikola Stancovic, denied Tuesday that Belgrade had barred the Bosnian Serbs' leaders from entering Serbia. Reuters reported from Belgrade.]

[No one has been barred from entering Serbia, not even the leader of the Bosnian Serb Republic,] Mr. Sainovic said.

Mr. Milosevic has stepped up the pressure on the Bosnian Serbs to accept the peace plan by closing the Bosnian border to all goods except food and medicine.

# EUROPE: Malaise Drains Enthusiasm for Future

(Continued from page 1)

There is widespread disenchantment with Europe's dismal performance in the Balkan crisis, its failure to halt a loss in jobs that has left nearly 17 million EC workers unemployed, and a perceived lack of visionary leadership.

The Community has always coped poorly with recession, and the current one seems more intractable than previous economic downturns. Yet even during the oil crisis of 1973 and the phase of "eurosclerosis" in the mid-1980s, the Community seemed sure of its ultimate destiny: building a peaceful, prosperous federation that could serve as a bulwark against the Communist empire in the East.

The latest wave of European pessimism seems different, and in some ways more troubling, than previous cycles of gloom because the Community is struggling to define its future identity. As a result, the Maastricht treaty, conceived in an era when the Berlin Wall was still standing, no longer seems to correspond to what many people believe is desirable or feasible.

The treaty wound up being a

compromise between those who wanted to "widen" the Community to accommodate new members and those who stressed the need to "deepen" the integration of states through a single currency and common defense. In the interest of securing approval of the treaty, Denmark was permitted to disavow those goals while Britain was allowed to forgo participation in the Community's social policy.

"In retrospect, those concessions to Denmark and Britain mean that deepening arguments have lost, at least for the next few years," said a senior French official. "We will now have to concentrate on bringing in new members before we can turn our minds again to building common policies."

Starved for cash, the Community is eager to incorporate rich countries such as Austria, Sweden, and perhaps Norway and Finland in the coming years. The former Communist states of Poland, Hungary and the Czech Republic would follow as full members once they have fortified their nascent market economies.

Ironically, some EC officials are

daring to express in private what was once considered heresy: that Denmark or Britain sinks the treaty, which must be ratified by all members to take effect, the Community might discover renewed vigor in beginning fresh initiatives among a core group of states, such as France, Germany, Belgium, the Netherlands and Luxembourg.

Chancellor Helmut Kohl of Germany and President Francois Mitterrand of France have privately agreed to consider ways to accelerate the drive toward a single currency among a smaller, select group of states if Maastricht fails, according to French and German officials. But the new conservative government in France, which is considered more skeptical about rushing toward a single currency, could pose obstacles to such a plan.

"Any way you look at it, the Community is facing a long period of crisis and doubt," said an adviser to the president of the EC Commission, Jacques Delors. "We will be fighting on several fronts, and for a while the best we may be able to hope for is to minimize the damage."

# JAPAN: A Rock and a Hard Place in Cambodia

(Continued from page 1)

half-century ago Japan occupied its sweep across Asia.

In the past several days, Japanese officials have been buffeted by charges that they are trying to put the safety of their own troops ahead of that of Bulgarians, Filipinos and others who have died in greater numbers.

The officials deny they are seeking special treatment, but in the next breath say that outsiders must understand the enormous political sensitivity of the issue in Japan.

"You may think that we are overreacting to these two deaths," a senior Foreign Ministry official told a group of foreign reporters on Tuesday, a day after the burial of a Japanese policeman killed in northwest Cambodia last week.

"But I hope you understand that this is the first case since 1945 of Japanese troops being sent abroad. And we have to move very cautiously. If we fail, it will take years to dispatch them elsewhere. So even if I may look selfish, we have to ask the United Nations to take all necessary precautions to protect our people."

Indeed, failure could mean a tremendous setback for the govern-

ment's hopes to play a far bigger political role on the world stage.

As the second largest industrial economy, and the largest contributor of foreign aid, Japan has been lobbying for a permanent seat on the UN Security Council. The United States has endorsed the effort. But part of the agreement has been to show that Japan's contributions go beyond the economic realm. Should Tokyo's first effort at peacekeeping collapse, many believe its claim to the seat would immediately be cast into doubt.

Visiting Tokyo on Monday, the prime minister of Singapore, Goh Chok Tong, said that if Tokyo pulled out of the peacekeeping operation, "then Japan will have decided not to play an international role."

On television and in the press, where direct challenges to the government's judgment are rare, heated arguments have broken out.

One prominent newspaper, the Maimichi Shimbun, has called for a withdrawal of forces. A popular television commentator has compared the current government to Japan's World War II leaders, who kept the public in the dark about the dangers facing their troops.

But the conservative Sankei

Shimbun has condemned the government for the "extremely selfish act" of sending the country's home affairs minister to Cambodia over the weekend in a largely failed effort to get Japanese civilian police moved out of the country's most dangerous areas.

In many ways, Japan is tripping over a national mine it carefully nurtured since the end of the war. Defining the nation around a "peace constitution," which bars Japan from using force to settle international disputes, the country has raised two generations of Japanese to believe that nothing is more valuable than a human life — particularly a Japanese life.

In the minds of some, this is an extreme reaction to the carnage of World War II, when thousands of Japanese troops were told to fight to the death in the name of the emperor rather than give up a lost cause.

Meanwhile, the 75 Japanese civilian police who were sent unarmored into northern Cambodia are being targeted by the army, which says they are being targeted by competing factions in the region.

# BOYCOTT: Israelis See Arab Barrier Fading Away

(Continued from page 1)

mination to exert new vigor in efforts to kill the boycott once and for all.

Although American companies have been prohibited for 16 years by federal law from observing the Arab blackist, enforcement has often been spotty.

Many Israelis say that momentum is now with them.

"I believe that the Arab boycott is on a losing trend," said Micha Harish, the minister of industry and trade. Dan Gullerman, president of the Federation of Israel Chambers of Commerce, says that many companies — including giants like Coca-Cola, IBM, Hilton Hotels, and Toyota — have discov-

ered that they can set up shop in Israel without harming their interests in the Arab world.

"In many cases, the fear of the boycott turned out to be stronger than the boycott itself," Mr. Gullerman said. "Companies that once spoke to us, that would even answer an Israeli fax, are now coming here."

His organization estimates that the blackist has reduced Israeli exports and foreign investment in Israel by 10 percent a year. "At the end of the day, I don't think Israel was devastated," he said. Nonetheless, the federation calculates that at that annual percentage, the country has lost more than \$40 billion in exports and investments over the last 45 years.

Even in the recently improved climate, thousands of companies remain on the blacklist kept by the Damascus-based Central Office for the Boycott of Israel; they include hundreds of companies added in the last few years. And while Saudi Arabia and Kuwait have signaled that they are ready to ease up on American companies, they have made no such gesture toward Europeans and Asians.

In fact, several European companies were recently added to the roster, including CSA, the national airline of the Czech Republic. The carrier had been "transporting Jewish settlers to Palestine," an official in Damascus said.

# CONFLICT: A War of Words

(Continued from page 1)

foundation whatsoever. The question of tying anything in the EC position to the referendum is totally absurd," he said, speaking at a news conference in Brussels.

The Bosnian Serb's self-styled parliament rejected the Owen-Vance peace plan for the region last week but agreed to call a plebiscite among its people on Saturday and Sunday. The United States has dismissed the move as a cynical ploy designed to win the Serbs time.

Mr. Petersen said EC foreign ministers had expressed the same view at a meeting in Brussels on Monday. "We attach no importance to that referendum," he said. "We don't see the validity of that referendum."

One European diplomat said: "The Americans are shifting the blame to us, for something we haven't said. It's garbage."

While the United States has been making the case for air strikes and arming Bosnia's Muslims, the Europeans argue that more emphasis should be put on sanctions, political pressure and putting into effect an international peace plan for Bosnia.

On Tuesday, Mr. Biden used an appearance by Secretary of State Warren M. Christopher, who was testifying before his committee on arms control issues, to express outrage at the refusal of European leaders to endorse U.S. calls for intervention in Bosnia.

Thanking Mr. Christopher for a recent mission in which he tried to persuade European leaders to support Mr. Clinton's proposals to

crack down on Bosnia, Mr. Biden said:

"What you've encountered, it seems to me, was a discouraging mosaic of indifference, timidity, self-delusion and hypocrisy."

"Let me speak as plainly as I can," he added. "I can't even begin to express my anger for a European policy that's now asking us to participate in what amounts to a codification of a Serbian victory."

Mr. Biden conceded, however, that the United States cannot take military action on its own and might be forced by the Europeans' reluctance to abandon military options to stop the killings in Bosnia.

Mr. Christopher did not respond. The secretary toured European capitals last week in an effort to drum up allied support for Mr. Clinton's call that stronger outside action was quickly needed to end a bloodbath that has involved "ethnic cleansing" of Muslims by Serbs. But Mr. Christopher encountered widespread opposition in Europe to Mr. Clinton's proposals.

Instead, the European Community appealed to the United States on Monday to join European nations that have troops serving with UN forces in Bosnia by sending troops to defend Muslim enclaves designated as "safe areas."

"This was an effort to engage the Americans in what we see as a more constructive manner," an EC diplomat said Tuesday. "The United States has the soft option — let a couple of bombs, supply the Muslims and get out. We can't, like the Americans, walk away from it."

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# MOSCOW: Yeltsin Dismisses 2 Key Conservatives

(Continued from page 1)

first fruit of that process. Mr. Skokov had identified himself with Mr. Yeltsin's opponents, including Vice President Alexander V. Rutskoi, when Mr. Yeltsin dramatically called for emergency measures on March 20 to end the political deadlock. Mr. Rutskoi, who has emerged as a leader of the conservative opposition, cannot be dismissed but has been stripped by Mr. Yeltsin of most of his duties.

Shaking up his own team is among the few steps Mr. Yeltsin can take to winning into constitutional roadblocks. Although nearly 70 percent of voters in the referendum called for new parli-

amentary elections, the president still has no clear legal option to adopt a constitution or call elections without approval of the parliament he wants to sidestep.

Even after the actions on Tuesday, Mr. Yeltsin's own team appears divided about the course of reform. Although the president fired two conservatives, he had recently appointed two others, including a first deputy prime minister, Oleg Lobov, who appear to favor a continuing major role for state planning in the economy.

Prime Minister Viktor S. Chernomyrdin, who was imposed on the president by the parliament in De-

ember, voiced suspicion Tuesday of Western aid and support for helping producers in a way that is not clearly apart from the government's radical reformers.

And while Mr. Fyodorov, in an article in *Izvestia*, emphasized the need to restrict credits to unprofitable state-owned enterprises to control inflation, Mr. Chernomyrdin stressed that no strict credit policy could work "if the market is not filled with goods," the *Interfax* agency reported.

Mr. Rutskoi, who has said he wants to run for Mr. Yeltsin's job, warned Mr. Yeltsin not to circumvent the parliament in getting the new constitution approved.

# SAILORS: Nunn Takes Navy's Pulse on Homosexuals

(Continued from page 1)

sailors they questioned Monday may have been as important as what they saw on board ship. A clear majority of the sailors said they would not want to serve with openly homosexual shipmates. But a sizable minority said it made no difference to them.

"It's repulsive, the lifestyle of the homosexuals," said Charles Smith, a black master chief petty officer whom Mr. Nunn encountered in the cramped sleeping quarters of the Kennedy. "A lot of people compare to allowing blacks to serve in the military. It's not the same thing," he said, adding that homosexuals "choose how they live — it's a choice."

But standing in the toilet of the attack submarine *Baton Rouge*, where 140 sailors live in some of the navy's tightest quarters for weeks at a time, Petty Officer 3d Class Robert Lewis said the sexual orientation of his shipmates made no difference to him.

"I don't have any problem with it," Mr. Lewis said. "There have probably been homosexuals on subs for a long time. Said to say, it's probably good to keep quiet about

it because it's hard to deal with."

Mr. Clinton has said he intends to lift the ban but has given Defense Secretary Les Aspin until July to determine what standards should be used. Mr. Nunn is holding hearings to determine whether the committee he heads will support Mr. Clinton; Congress could override an executive order from the president.

Opponents of lifting the ban cite the tight quarters and lack of privacy that are common in military settings as a major reason for their opinions. Many heterosexuals, they argue, are unwilling to share toilets and showers with homosexuals.

The shipboard tours Monday, and a hearing in a packed auditorium on the base, marked the first time that lawmakers had traveled to a military installation to hear how service personnel feel about the proposed change.

Among the nine senators who came to Norfolk — three arrived after the tours — only one, Charles S. Robb, a Virginia Democrat, has said he favored allowing openly homosexual people to serve. Knowing that he was in the minority, he spent most of the day listening. "Everybody's got some pretty

strong views," Mr. Robb said. "I just didn't feel right about ducking this occasion."

Mr. Nunn has led the opposition to lifting the military's ban on the openly homosexual, favoring a policy that he has summarized as, "Don't ask and don't tell."

Little about the senators' visits to Norfolk was left to chance. The senators toured three submarines — the *Baton Rouge*, the *Flying Fish* and the *Montpelier* — and each demonstration was carefully choreographed, with crew members showing the arrangements of their daily lives.

Sailors on berths 18 inches (46 centimeters) wide that are stacked three high showed how they get out of bed. They offered, while fully clothed, a demonstration of how they use the bathroom in shifts. And they ate lunch, which involves running 125 enlisted men through a mess hall that seats 28.

"The objective," said an officer aboard the *Montpelier* who asked not to be identified, "is to show them how cramped the subs are and to show them how bad an idea it is to allow gays — and, oh, by the way, women — aboard submarines."

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AP Photo/John...

Arabic text in a box at the top right.

# Death Toll Over 220 In Thai Factory Fire

Compiled by Our Staff From Dispatches

**BANGKOK** — After workers recovered more than 220 bodies Tuesday from the ruins of a toy factory that burned to the ground in the worst disaster of its kind in history, the government said it feared hundreds more had perished.

Most of the victims were women, some of whom had taken young children to work with them at their low-wage jobs, officials said. Children were among those killed as the fire raged through the large four-story factory buildings. Officials said some exits had been locked shut.

It was not immediately known how many employees were inside when the fire started Monday, apparently from an electrical fault that set ablaze bales of synthetic material used to stuff dolls for multinational toy companies in the United States.

The provincial governor, Prawate Fortrakul, said 4,000 people worked at the factory, which is owned by Kader Industrial (Thailand) Co. Kader Holdings of Hong Kong said it had a 40 percent stake in the Thai company. Kader is one of Hong Kong's oldest and largest toy producers, with factories in Hong Kong, China and Indonesia. It is planning to set up a factory in Mexico.

At the end of a day of dreadful labor Tuesday, soldiers and rescue workers had managed to penetrate only the top layer of rubble. "Hundreds more are feared dead," an Interior Ministry official said.

A spokesman for the ministry's Labor Protection and Welfare Department said the factory did not appear to have a satisfactory emergency escape system.

"It was completely insufficient for a factory employing thousands," the spokesman said. "And much the same situation prevails in thousands of other factories in Thailand."

Chalermpol Prathiparanch, deputy governor of the province, said that fire alarms at the factory were not functioning. In addition, there were no fire escapes.

In an interview broadcast on Thai television, Interior Minister Chavalit Yongchaiyudh said an investigating committee would examine the building's construction and the factory's manufacturing processes.

Spokesmen for labor contend that insufficient attention is paid in Asia to safe working conditions in an economic climate where the stress of manufacturers is often on keeping production costs as low as possible.

Several industrialized countries, led by the United States, have laws that penalize imports from countries that do not meet basic standards for workers. In practice, these are scarcely ever enforced, because industrialized nations do not want to discourage vibrant economic growth.

The death toll at the Kader plant exceeded the worst previous factory fire, at the Triangle Shirtwaist factory in New York City. A total of 145 people were killed in that blaze on March 25, 1911.

(AP, AP, Reuters, Bloomberg, WP)



Workers consoling each other Tuesday after seeing bodies removed from the ruins of the factory in the outskirts of Bangkok.

# ANC Alleges Plot to Kill Leading Communist

Compiled by Our Staff From Dispatches

**JOHANNESBURG** — The African National Congress said Tuesday that rightist white extremists were plotting to assassinate its leaders and derail democracy talks aimed at ending white-minority rule in South Africa.

It said one of the conspirators had confessed to the police last week that he had been involved in a plot to kill the Communist Party chairman, Joe Slovo, who is also the top white figure in the ANC.

The movement accused the police of not informing Mr. Slovo of the plot. The police said earlier that they believed there had been a conspiracy to kill Mr. Slovo's Communist Party colleague, Chris Hani, who was assassinated on April 10.

"The information reinforces our view that these assassinations are part of a broader conspiracy by forces determined to destabilize the negotiation process," the ANC said.

Far-right whites vow to take up arms rather than live under a black government. The killing of Mr. Hani, allegedly by a white extremist, rekindled fears that the far right could disrupt multiparty talks on ending apartheid.

A Polish immigrant, Janusz Wasylus, and two leading far-right figures, Clive Derby-Lewis and his wife, Gays, will appear in court on Wednesday, accused by the police of killing Mr. Hani.

The plot to kill Mr. Slovo was reported Tuesday by the Star newspaper in Johannesburg and was alleged to involve three white South Africans and a Hungarian immigrant.

Mr. Slovo, 67, whose wife was killed by a letter bomb in Mozambique in 1982, said pro-apartheid groups were desperate to derail democracy talks because negotiations were on the verge of reaching agreements on transition to democracy.

Nelson Mandela, the ANC leader, called on the government Tuesday to take action over the threat. The Star said the four whites involved in the alleged plot against Mr. Slovo had planned to gun him down outside his home in a Johannesburg suburb between May 15 and 21.

Colonel Johan Mostert of the police confirmed an investigation into a plot to kill Mr. Slovo, but disputed ANC claims that the police had failed to protect ANC leaders.

(Reuters, AP)

# Somali Warlord Sees Himself Reborn as 'Freedom Fighter'

Colonel Jess Prepares to Make a Democratic Comeback

By Keith B. Richburg

Washington Post Service

**MOGADISHU, Somalia** — With his thick, black beard and piercing eyes, Omar Jess looks every bit the brutal Somali warlord who spent two years stalking Somalia's countryside. But he speaks softly and in articulate English as he now describes himself as a "freedom fighter" and talks of Abraham Lincoln and the need for representative government.

The reason for the transformation is clear: Colonel Jess's once-formidable militia has been confined to camps, and if his men try to move — as they did on Friday — they are routed by superior Belgian or American forces. Colonel Jess himself has been kicked out of his stronghold in Kismayu by a rival militia leader. Now he finds his movements around the country restricted by order of the United Nations military commanders.

With his military power so diminished, Colonel Jess says it is ironic that he is still even labeled a warlord. He said he personally prefers the terms "freedom fighter" or "popularly backed leader of his clan. And, in a measure of just how dramatically Somalia has changed in five months of foreign military intervention, this onetime warrior widely accused of human-rights abuses is trying on an unfamiliar label: democrat.

"The best way is the way you yourselves decide — democracy," said Colonel Jess, who fingered a walking cane during an interview. "People should be allowed to choose their own leaders." When U.S. Marines arrived last December, he said, Americans saw men such as himself as "the tough guys, dominating the civilian population."

"But the reason we became strong is that we had popular support," he added. "The Americans took it as if we managed to get some weapons and dominate the civilian population."

Elections in Somalia are still at least two years away, according to a UN-supported plan outlined in the most recent peace accords. But already Colonel Jess is talking about possible outcomes. "If I lose, I can stay out." But if he wins, he will be vindicated, because the Americans "will know that we were not warlords, but freedom fighters."

That a militia leader like Omar Jess should even be talking about democracy and future elections speaks

volumes about the success foreign troops have had here in breaking the power of the gun and forcing Somalia's various regional strongmen to at least mouth promises of dialogue and peaceful negotiation.

The political strategy behind the U.S.-led intervention has been to try to dilute the power of the warlords by confiscating or restricting their weapons and prohibiting their forces from moving, while building up alternative voices long neglected, such as women, intellectuals, clerics and elders.

A peace accord reached in Addis Ababa, the Ethiopian capital, calls for a 74-member transitional council of representatives from each of the regions and factions. Under heavy U.S. pressure the Somali warlords agreed that at least 15 percent of the council seats would go to women.

But Somalia's former military strongmen, described by one Western diplomat as "lugs," are showing surprising deftness at adopting the new language of politics, negotiation and compromise. Men like Mohammed Farah Aidid and the self-styled interim president, Mohammed Ali Mahdi — rival warlords whose battle for primacy in the capital left about 30,000 people dead and maimed — are now trying to talk and act like statesmen-politicians.

To many Somali analysts and foreign observers who live here, this outcome was inevitable. The diplomats grasped its roots in clan and regional identity. "The warlords are not extraterrestrial," said a women's group spokeswoman, Faduma Ahmed Alim. "They are part of us. They have their supporters among the people. They have their tribes. They may not use their guns, but they will use politics."

"When there's a war on," said Mike McDonagh, director here of the Irish aid group Concern, a man like General Aidid "is a warlord. When there's peace, he's a politician." Without the strongmen, Mr. McDonagh said, "you've got a vacuum, you've got anarchy. This isn't the Mafia. These people have some standing in their communities."

Colonel Jess agrees, saying that men like General Aidid and himself overthrew the dictatorship of Mohammed Siad Barre, and now deserve a share of the spoils of victory. Given the new realities, he said, they know now they must achieve it through the ballot box instead of the gun.

# France Moves on Immigration Rules

Reuters

**PARIS** — France's new conservative government, fresh from unveiling economic austerity plans, turned to face thorny social issues on Tuesday as Parliament prepared to debate a nationality bill.

The bill, aimed at tightening conditions for foreigners acquiring French nationality, is the first to come before Parliament since the conservatives crushed the Socialists in March elections.

Prime Minister Edouard Balladur, who presented a budget on Monday, including tax increases and some steps to stimulate growth, has said that he cannot hope for rapid economic recovery.

By contrast, he has said he can achieve early results on another main plank of the conservative program — curbing immigration and reducing crime.

The nationality bill is part of a series of planned measures on immigration aimed at reassuring rightist voters who resent the presence in France of more than 4 million foreigners, half of them from developing countries.

It states that children born in France of foreign parents will have to apply for French nationality between the ages of 16 and 21 instead of receiving it automatically. Applications from youths with serious criminal records will be refused.

The bill is dividing legislators in Mr. Balladur's Gaullist party, Rally for the Republic, and the center-right Union for French Democracy, some of whom feel the bill rather goes too far or not far enough.

A conservative newspaper said the bill is a simple demand for nationality was not enough, and it should be accompanied by a declaration of loyalty.

# Reporter's Death Tied to Druglords

New York Times Service

**NEW YORK** — Angered by his articles about the multibillion-dollar drug trade, the leaders of a Colombian cocaine cartel ordered the murder of a crusading Spanish-language journalist, Manuel de Dios Unzueta, 48, who was slain in a Queens restaurant 14 months ago, according to federal authorities.

The Colombian traffickers paid \$20,000 for the killing, authorities said. But most of the money went to other conspirators, leaving only a "very small portion" for a 16-year-old gunman who calmly walked up behind the journalist and fired two shots into his head as he finished a beer.

The suspected trigger man, Alejandro Wilson Mejia Velez, was arrested in Miami on Saturday.

# Paraguay to Let In Exiled Dictator

Reuters

**ASUNCION, Paraguay** — Within hours of winning Paraguay's first democratic elections, Juan Carlos Wasmosy, who made a fortune from government construction contracts during the regime of General Alfredo Stroessner, said the former dictator was free to return from exile in Brazil.

"He can come back today if he wants," Mr. Wasmosy said. "If he has problems with the judiciary that's his problem."

Mr. Wasmosy, 54, led the ruling Colorado Party to a bitterly fought election victory Sunday. With about 70 percent of the vote counted, Mr. Wasmosy was given an eight-point lead over Domingo

Laino of the Authentic Liberal Radical Party.

Several points behind Mr. Laino came the National Unity candidate, Guillermo Caballero Vargas, who had led pre-election opinion polls as the prospective clear winner.

General Stroessner's 34-year regime ended in a bloody 1989 coup led by former cavalry commander, Andrés Rodríguez, who went on to win hurriedly called presidential elections.

Many Stroessner aides were subsequently tried and sentenced for corruption and human rights abuses, although no charges have been brought against the general,

80, who is now living near Brasilia. Signs of continued military involvement in Paraguayan politics were condemned by Jimmy Carter, the former U.S. president, who was one of more than 200 foreign observers monitoring the election.

Referring to comments by an army commander who hinted at military intervention if Mr. Wasmosy was defeated, Mr. Carter said: "General Lino Oviedo's involvement in the electoral process was a blatant violation of the constitution." He added: "His threat, days before the election, that the military and the Colorado Party would rule for centuries, raised legitimate fears that a victory by the opposition would not be accepted."

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**INTERNATIONAL  
Herald Tribune**

**Go to Bat for Trade**

Among Americans, the rising doubts and anxieties about the trade agreement with Mexico have little to do with Mexico itself. In the alchemy of political opinion, Mexico has come to stand for the rest of the world in general. The trade deal, the North American Free Trade Agreement, is becoming a focus for all the American concerns about the economic future in a world turned sharply competitive. The opposition to the agreement is rooted in dark forebodings almost comically out of proportion with any possible results. Much too much credence has been given to Ross Perot's crack about a huge sucking sound as American factories and jobs vanish southward. In fact, the agreement would only marginally increase the present advantages in migrating to Mexico, while for many American industries it would strengthen the reasons to stay where they are.

But this debate rolls along with little reference to what is actually in the agreement, and the worried are right in saying that Congress at present is not much inclined to support it. The legislation is going to be on a tight schedule. Partly to meet campaign promises, but mostly in set his own imprimatur on a deal negotiated by President George Bush, President Bill Clinton wants side agreements that will further define the present text. Since they will not be completed until late summer or early autumn, the implementing legislation will not appear until then — although the Clinton administration promised to get it enacted by the end of the year.

**The Energy Tax Fight**

The rule in every tax fight, Russell Long used to say, was: "Don't tax you, don't tax me, tax the fellow behind the tree." It's still the rule; the latest example is the emerging opposition to President Bill Clinton's proposed energy tax. The manufacturers, farmers, energy producers and others opposed make the usual arguments: The increased cost will reduce their ability to compete and to provide employment. The problem for them and their allies on the tax committees is to come up with an alternative (a) that will reduce the deficit by the same amount with no worse side effects, and (b) that can pass.

The VAT would also lack the healthy deterrent effect that an energy tax would likely have on energy consumption. One of the opposition groups styles itself the champion of "affordable" energy when in fact the problem with energy in America is that it is too affordable. The price is extremely low by world standards, and it encourages waste. Republicans opposed in the energy tax say the alternative is not some other tax increase but more spending cuts than the president has proposed. But then comes the hard part of saying which spending cuts — a question the Republicans have checked on for 12 years now.

**They Aren't Shipshape**

Why can't the United States Navy, a service of proud tradition, conduct credible inquiries when things go wrong in the ranks? That question is raised again by the latest botched investigation — into the murder of a homosexual sailor by a shipmate near a base in Japan.

od and prosecuted the case without pressure from outside. At least three earlier investigations left the navy red-faced. There was Tailhook, the scandal of sexual misconduct at a naval pilots' convention that took three investigations before a code of protective silence gave way to a code of military law. That case was only cracked open after the investigation was passed beyond the navy to the Inspector General's Office at the Defense Department.

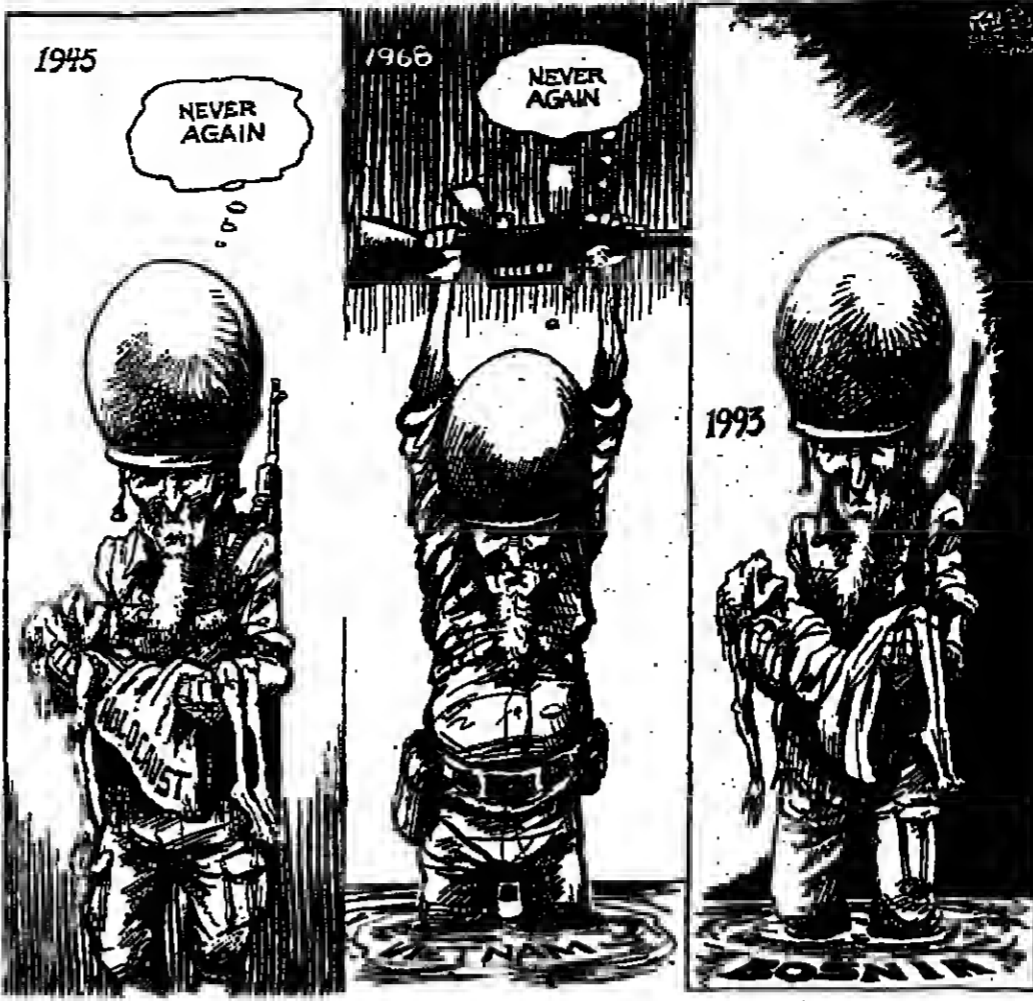
**Stay Out  
Of War  
In Bosnia**

**By Richard Reeves**

LOS ANGELES — "They want a force of American troops," said President John Kennedy to one of his aides at the end of 1961. "They say it's necessary. . . . But the troops will march in, the bands will play, the crowds will cheer, and in four days everyone will have forgotten. Then we will be told we have to send in more troops. It's like taking a drink. The effect wears off, and you have to take another."

Unfortunately, Mr. Kennedy did not follow his own advice in South Vietnam. Foolishly or cynically, he did send troops in beyond 17,000 or so — and when that did not help, his administration worked to overthrow Washington's man in Saigon, President Ngo Dinh Diem, to get a military government more inclined in follow American orders.

Fifty-five thousand dead Americans and hundreds of thousands of dead Vietnamese later, America had accomplished little more than destroying its own political credibility, prolonging the Cold War for over a year beyond its time. Driving into Ho Chi Minh City (still Saigon in my head) a couple of years ago, through waves of Vietnamese on bicycles and mopeds, my first thought was: Whatever possessed us to think we could run this place? I thought the same thing about war in Iraq: Ten years from now, a hundred years, a thousand, the same people will be sitting on the same land, still remembering that, and also that the mountains of Yugoslavia are more difficult military terrain than the deserts of Iraq — plus, conventional artillery is a lot easier to move around than missiles.



more than that a president may not control events but he has the great power to control the first interpretations of those events. In their homelands, people cannot be subdued by outsiders, which is a fundamental argument for staying out of other people's civil wars. Ask the Germans, who could never quite manage to subdue Serbia and Croatia during World War II.

One of the similarities between the two young presidents has been their fear of being called soft — which made them desperate to be seen as tough. Mr. Kennedy, although a war hero himself, was afraid to be accused of not being tough enough on communism, so he moved into Vietnam. Mr. Clinton, who dodged the war Mr. Kennedy started, is afraid to be called chicken.

Both presidents suffered from the overzealous anti-communism of the Communist empire, new countries unable to support or defend themselves; or by using force and pressuring Serbia earlier in this rotten game. President Clinton should listen to President Kennedy's words and learn from his mistakes in ignoring them.

**It Isn't Vietnam, but the Job Would Take Time to Do**

**By George Kenney**

WASHINGTON — The question is not whether the United States would get stuck in a Balkan Vietnam. Serbian fighters are so pathetic that they could be swept away in a matter of months. The real question is: Can the West remain engaged for decades, if needed, to restore Balkan stability? Every year, in a worst case, Western forces would have hundreds of casualties, in a best case perhaps dozens.

February, U.S. air drops in March. In mid-March, the United Nations commander Philippe Morillon heretically pledged his support in Srebrenica as Serbian atrocities there shocked Western publics. Srebrenica became a turning point for the international community, which moved in April to begin enforcing a no-flight zone. Margaret Thatcher attacked Western governments as "accomplices to a massacre." On April 15, Senator Joseph Biden, leading the Senate on this crisis, issued a statement declaring that Belgrade was definitely backing the Bosnian Serbs, and Senator Bob Dole pushed for an ultimatum that Serb forces withdraw from Srebrenica. On April 21, Representative Frank McCloskey gathered 47 signatures for a letter to President Clinton urging action.

Department desk officers for Balkan countries had sent Mr. Christopher a letter dissenting from U.S. policy, an extraordinary act. By the end of April many more Americans seemed to realize that the Serbs were the bad guys and the negotiating process was going nowhere. Arguably, education drove public change. As pressure built, the press made plain that it would chronicle in excruciating detail the president's abandonment of the Bosnians, if that were to happen.

Mr. Clinton's next step is critical. He must not only decide for himself whether to undertake military operations, he must explain his decision to the American public. They expect more than half-measures, although they may accept a return to the Bush strategy of doing nothing. One can only hope that the president does not count on threats to do the job of force. It would be better in any nothing at all.

**Europe: The Community Needs Danes to Vote 'No'**

**By Christoph Bertram**

HAMBURG — Most people who want the European Community to succeed are in favor of the Maastricht treaty. I hope they will reject it precisely because I want the Community to succeed. With Danish ratification, the Maastricht vision of a Europe progressively uniting not only its markets but its policies will be dead. When a small majority of Danes voted "no" to Maastricht last June, the other 11 member governments, determined to salvage the exercise, bent over backward to grant Denmark a special position: to be in the Community, but not of it.

fully with all aspects of Maastricht, that is no more than a helpful thought: to those arrangements that make it more than an economic proposition: monetary union and joint defense. Of course, these are not immediate but fairly remote objectives. But together they define the political purpose of European integration. As the result of the exceptions granted to Denmark, a "yes" vote on May 18 would leave the Danes sharing a Community of which they do not share the political purpose.

What might have been an isolated case would thus become the norm for newcomers and, sooner or later, for all members of the Community, if the Danes vote "yes" they will denude not only their own membership of political purpose but gradually do the same to the whole club. For those who want to retain this political purpose, Danish support for an emasculated Maastricht is therefore undesirable.

The future of Europe, after all, will be determined not by the number of signatures on the Maastricht accord but by the commitments made by those who sign. That is why I hope that on Tuesday a majority of Danish voters will decide against a Maastricht agreement that has been denatured to win their support. Although they may not realize it, by saying "no" the Danes would be doing a service to the European cause.

**Trapped Between Clinton and Castro**

**By Rolando Prats Paez**

HAVANA — Cubans, including the island's small group of human rights activists and political dissidents, seem to be trapped between Bill Clinton and Fidel Castro. The Cuban government seizes any excuse to delay reforms that will carry Cuba toward democracy and prosperity, while Washington is wed to an obsolete and counterproductive policy toward Cuba that provides all the pretenses Havana needs.

efforts not only by our own government but by successive administrations in Washington. No government is likely to relax internal discipline and undertake liberalizing reforms just when a vastly more powerful neighbor has increased efforts to isolate it, starve it out and bring about its overthrow. Yet, lamentably, with the passage of the so-called Torricelli legislation, which prohibits foreign subsidiaries of American companies from doing business in Cuba and bars ships that stop in Cuba from U.S. ports for the following six months, Washington has tightened the screws.

the country can survive at a subsistence level for a very long time. Meanwhile, the repressive apparatus is strong enough to curtail rising discontent. As governments face uphill battles within each country to gain acceptance of an accession agreement, they will insist in turn that the Danish exceptions apply to them, too. What might have been an isolated case would thus become the norm for newcomers and, sooner or later, for all members of the Community, if the Danes vote "yes" they will denude not only their own membership of political purpose but gradually do the same to the whole club.

Later, officials also began to worry that the seaman who was treated leniently may have been more of a participant than previously understood. That kind of error, if error it was, sometimes happens in otherwise competent investigations. But what about the overarching error: the navy's cover-up of the nature of the killing until friends of Mr. Schindler blew the whistle in a letter to the Pacific Stars and Stripes? It raises troublesome questions about just how hard the navy would have investigat-

In the past, Cuban human rights activists understood the strategic concerns behind Washington's hard line. But the Cold War is over and those worries are no longer relevant. Paradoxically, the Washington line has become even harder, giving the state security officers more excuses to repress dissidents, imposing new hardships on the people by suffocating the economy and stiffening the obstinacy of the Castro government.

Why does Washington pursue this policy? Perhaps because it believes the predictions that the Cuban government will soon fall. If so, it is miscalculating. The economic crisis in Cuba is acute, but

**1893: Protest in Madrid**

MADRID — The Congress has been sitting continuously for thirty-two hours and will sit until midnight Saturday [May 13]. The Ministers and members have slept and eaten their meals in the House. The 20 Republicans and 8 Carlists are determined to obstruct the Bill empowering the Government to put off the municipal elections from Sunday, the legal date, until December. The Republicans are excited as the Public Prosecutor has ordered the seizure of two of the principal Republican papers.

**First, Please  
Let Him Do  
Something**

**By Edwin M. Yoder Jr.**

WASHINGTON — The late editor in chief of Time Inc., Hedley Donovan, a princely man and a keen student of American government, used to call it the "how's-the-president-doing question"; the interminable blather of politeness and punditry monitoring the standing of a president.

The monitoring of Bill Clinton seems even more obsessive than usual. After just over 100 days in office, he's been up and down like a yo-yo. The whole exercise exaggerates the impact of presidential leadership, as if American government were a solo act. When President Bill Clinton himself recently confessed in a lack of "focus," he doubtless meant that his agenda for economic growth had almost slipped from sight, his and ours. He complained to Tom Brokaw of NBC the other night that the noisy battle with the Senate Republicans over the \$16 billion stimulus package — small potatoes by any objective measure — eclipsed the triumphant passage of his big economic plan in the first budget resolution.

He has things to learn about the irrelevance of budget resolutions, but he has a point. Yet Mr. Clinton, like all recent presidents, is a prisoner of television, the "electronic Mephistopheles," as Godfrey Hodgson has called it. A president bargains away his soul in exchange for television's power to glamorize him beyond mere mortality. He overlooks its equal power to break, rapidly and capriciously, as well.

Let us assume that a fair and appropriate standard for Mr. Clinton would be a performance rivalling two Democratic predecessors: he greatly admires, nor does he begrudge, success. Franklin D. Roosevelt and John F. Kennedy. It would be fashionable to include Harry Truman, who is now properly viewed as great in his way. But the detractors declaring Mr. Clinton an early failure would almost certainly have been among those who scorned Mr. Truman in his time, sent his Gallup Polls almost down to single-digit range and quipped "let's eat the fat man."

The question is how to set a standard for Clinton. It would be better in any nothing at all. The future of Europe, after all, will be determined not by the number of signatures on the Maastricht accord but by the commitments made by those who sign. That is why I hope that on Tuesday a majority of Danish voters will decide against a Maastricht agreement that has been denatured to win their support. Although they may not realize it, by saying "no" the Danes would be doing a service to the European cause.

The writer is diplomatic correspondent for the German weekly Die Zeit. He contributed this comment to The Washington Post.

**1918: German Reversal**

PARIS — The Bois de la Gaine, south-west of Meilly-Raineval, on the Amiens front, was the scene yesterday [May 11] of another severe reverse for the Germans. Storm troops were used in a furious attack on the wood, and at first the Germans made some progress. They did not, however, long hold their ground.

**1943: Churchill in U.S.**

LONDON — [From our New York edition:] Prime Minister Winston Churchill's arrival in Washington for his fifth meeting with President Roosevelt since August, 1941, was announced tonight [May 11] even as the radio was airing an Axis report that Mr. Churchill was in Cairo. Stephen R. Early, the White House Press Secretary, said: "Prime Minister Winston Churchill has arrived in Washington. He was met by the President and will be the President's guest for the duration of his visit. Mr. Churchill was accompanied by a staff of experts, military and naval. It is probable that Mr. Churchill and Mr. Roosevelt will discuss in detail the plan to help Russia and China smash the Axis in Europe and Asia."

Vertical text on the right edge of the page: "Wanted: News Events", "Shouldn't you be following", "Subscription", "Save money off the", "CALL US TOLL-FREE".

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 46.57.93.00. Telex: Circulation, 612832; Production, 630598.  
Directeur de la Publication: Richard D. Simmons  
Chairman from 1958 to 1982: John Hay Whitney  
Editor for Asia: Michael Richardson, 5 Coleman Road, Singapore 0511. Tel: 472-7768. Tlx: R534928  
Mng. Dir. Asia: Roy D. Krane, 30 Gloucester Rd., Hong Kong. Tel. 3610616. Telex: 61170  
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OPINION

Israel Needs 'Walls' for Its Defense

By A. M. Rosenthal

NEW YORK — Judging by journalistic and diplomatic attention to their views, nearly half the Jews of Israel have vanished, snap. They are the voters who refused to support Labor and other parties in the coalition that now runs the country with a thin parliamentary majority.

turn Israel from small hero to huge villain, one of the great propaganda triumphs of all time. Point by point he dissects the mythology now so casually accepted in the West. There was no separate Palestinian Arab identity that was smothered by the Jews — Arabs knew of no such thing until they invented it.

Mr. Netanyahu sees the defense of Israel as possible only within the "walls" of time and space that the Golan Heights and the high ground of the West Bank provide. Nothing, he says, is as important to Israel as a good mountain top — and few things as dangerous as the creation of still another Arab state, this one smack within Israel's defense boundaries already only a few minutes wide.

When Israel dared survive four military wars and never-ending religious, political and economic warfare, this same propaganda structure was used to

discover common security interest with Israel, but perhaps too late. Israel is the name, not Lazarus. But in a new book Benjamin Netanyahu, Likud's new leader, makes it difficult to pass over those arguments without paying attention.

Readers of "A Place Among Nations" will agree or disagree with him. But without reading it, people seriously interested in the Middle East will remain intellectual bystanders, ducking the historic discourse it forces open.

Mr. Netanyahu sees the defense of Israel as possible only within the "walls" of time and space that the Golan Heights and the high ground of the West Bank provide. Nothing, he says, is as important to Israel as a good mountain top — and few things as dangerous as the creation of still another Arab state, this one smack within Israel's defense boundaries already only a few minutes wide.

If that means living with the rifle, Mr. Netanyahu plainly sees it as the choice to living dead beside it. The decision on its peace strategy is Israel's. But the bulk of the book is not about the "peace process" but an important analysis of the myths, distortions and lies that created and sustained almost a century of warfare — first against the dream of a Jewish homeland and then the state itself.

When Israel dared survive four military wars and never-ending religious, political and economic warfare, this same propaganda structure was used to

On the Prairie, Hippocrates Meant Something

By Richard Critchfield

BERKELEY, California — The real challenge in reforming health care, Hillary Rodham Clinton says, is to find a way to substitute "caring, concern and love" for regulation and bureaucracy. It's as old as the Hippocratic oath of professional ethics. We've been there before.

My father and both grandfathers were doctors. A look at their practices says something about the way American medicine has changed. One grandfather, Henry Critchfield, started out as a medical apprentice to an established doctor in

MEANWHILE

Ohio before earning one of the first medical degrees given by the University of Minnesota. In 1886, 10 years after the battle of Little Bighorn, he set up practice in a North Dakota prairie town. Few patients came in, saying that at 25 he was too young.

Then one day he stopped some men from shooting a stray dog that had broken its leg; he put a splint on it. Once people saw the dog running about, mean and frisky as ever, they came, and not just for treatment. Like most country doctors in those days, Grandfather was soon sought for advice on crops and land disputes and how to invest money.

The hardy Dakota settlers didn't turn to the doctor until they were at death's door. Grandfather got muskmungos off the range and drove them hard. A patient's farm might be miles from town. If a doctor didn't get there in time it was all over but the burial. Grandfather knew how to set bones, sew up cuts, deliver babies and open boils. But not much else. Few therapeutic drugs existed. The specialist, the laboratory, the clinic and the modern hospital were all in the future. His horsemanship did him in. Cutting across open prairie one spring, he bogged down in a slough, waded in to unbind his panicked

team, got soaked, caught pneumonia, and died at 43. In 1882, Hadwen Williams, my other grandfather, graduated from the University of Iowa Medical Department. He, too, began his practice among farmers. One of his first cases was, at a farm 8 miles away. It was the dead of winter, the temperature fell to 20 below (30 below centigrade) some days. He wrote in his diary "I was called to see Mr. Peet last night between 11 and midnight. He was suffering from a severe hemorrhage of the lungs. Had another at 3 A.M. this morning and 2 P.M. this afternoon. Had Dr. Blakeslee from Anamosa in for consultation. Am staying with Mr. Peet all the time."

"April 10 — Am still staying with Mr. Peet at his farm. He had one hemorrhage at 4 P.M. and one at 7 P.M. He is very much alarmed & has given up all hope. "April 11 — Am still here & no prospect of getting away. He does not want me to leave. Jessie drove home alone today." Jessie, my grandmother, adds in the diary: "I'm so lonesome and tired of living alone I can hardly stand it." Hadwen goes on: "April 13 — Am still holding the fort..." And so it goes the rest of April until the patient makes a surprising recovery. His story ends: "J. C. Peet paid his bill today, \$78.85. This is the largest bill I ever received at once."

In 1899, Hadwen became a Methodist. He hoped to become a minister and go to China. But once ordained, he spent most of the rest of his life preaching in small Iowa towns. He did not return to his old profession until the influenza epidemic of 1918-19. Doctors were exhausted, more than 548,000 people were to die and millions to fall ill, and Grandfather went about the countryside, bathing the sick, changing filthy beds, chopping wood, trying to arrange

help for the suffering, especially for Germans, whom people had turned against. He survived the flu but ruined his health. He died nine years later.

My father finished medical school at Minnesota in 1922. Like his father before him, he went out to practice in North Dakota prairie towns. As one of his patients, G. L. Olson, 96 when I talked to him in 1982, told me: "Doctors back in those days, they worked a little too hard, you know. They'd come in and have to go way out again to Wellsburg or some place. That's six hours by stage. Just to see one patient. That's a long, cold ride over the prairie in winter. You bet. Kitchen surgery and childbirth, you know. They didn't bring 'em in like they do now."

Father had a Model T. But he used a horse and buggy in winter. One old farmer recalled running a pitchfork through his hand. "Doc, he ran a swab down that hole and it hurt pretty bad. When I asked if I could still pitch, you know, go ahead and finish the day, he laughed and said: 'Sure can. It won't hurt me a bit.' One time when my brother broke his leg, Doc, he came out and wanted to take him to Minot so a bone specialist could work on the leg. Doc had a pint of Four Roses and he told my brother to drink it all right down. Boy, did he pass out!"

My brother remembers when a woman who had been scalped came to the house. "I don't know who went after Father," he says. "I guess maybe I did. More likely I was fainting or vomiting because it was really something. It was night and this lady was in the back seat. And they lit something and she went up in the air and the steel arch that held up the canvas roof hit her head and made an absolutely neat line just at her hairline and folded her hair back. Then Father came and cleaned it all up and put it back down and she stitched right across the hairline and the lady hardly had any scars afterwards. He didn't seem nervous. He was a good doctor."

Later, when my father drunk himself to death, my mother told us: "He was a wonderful doctor. He was always on call, 24 hours a day. He always did everything. He had some terrible cases. Footings. Malposition of twins. He never lost a mother, never lost a baby."

In our family, I suppose, the Hippocratic oath was just part of growing up. I think the Depression did Father in. He loved the prairie, but with a wife and five children to support, we had to move to Fargo in 1932. For Father it was a mistake. For a time he was the county doctor, looking after the homeless, Fargo's 700 welfare families and a 75-bed hospital out at what people called the Poor Farm.

In 1983 I nurse to E. Louise Grontund, who had been Father's nurse for a time 50 years earlier. "I know he drank," she said. "Maybe he found his work too depressing. He was the only doctor for all those people. It was terribly hard. Grim. Then, Dr. Critchfield just missed the big change in medicine. Sulfis came in about 1938. It was the first time we really had something that could snatch people away from death's door."

"But the old-time country doctor supplied something people needed, too. He was part of the community, the family. He was who you went to for everything. It's a cold, cold situation for a sick person when they look into a doctor's eyes and only see dollar signs. You talk about the milk of human kindness. Some of the old-time doctors really had it."

None of the three, as far as I can tell, really gave two hoots about money. It was doing their best at their profession that mattered, what Hillary Clinton might call "concern."

The writer, a specialist in Third World village life, recounted his ancestors' experiences in America in "Those Days," a family memoir. He contributed this comment to the International Herald Tribune.

Focusing Like a Laser on Medical Costs

By Lawrence Malkin

NEW YORK — Like John Gagnon, who recounted his experiences with French medicine on these pages on May 10, I had just arrived in the French countryside in the summer of 1986, when I found myself being taken one night by the local ambulance to the same Regional Medical Center in Tours. The ambulance came quickly after my wife called to report that I was seeing spots and flashing lights.

Upon arrival my eyes were examined by a concerned and thoughtful intern. I was kept overnight, and the next day given laser treatment to cauterize a retinal tear. This saved the sight of my right eye. I was back at my word processor in a few days.

Total cost of the efficient and no-questions-asked care (including a second zap of the laser a month later): \$400 at the prevailing exchange rate, about \$600 now.

The charge for a French patient would have been the same, through the self-financing state insurance system, with the same 20 percent deductible as my private American insurance.

Three years later I saw the same lights and spots in my left eye

each. In France, lasers have been centralized in fewer hospitals to cut costs, and medical fees for the simpler procedure have been negotiated down through the muscle of the state insurance system, passing savings to the public.

So much for the myth that new technology always costs more. I wrote an article recounting all this in 1989, which eventually appeared in The New Republic. I received letters from readers saying, in effect, "Right on," and from a half-dozen doctors saying that I really didn't understand the medical system.

But I think I understood it all too well, and I now wish that Hillary Rodham Clinton would study the experience of France (or of Germany, where they have a slightly different and equally proven single-payer system), instead of depending on experts trying to concoct something called "managed competition" out of thin air.

Perhaps there is hope for a less ethnocentric view of medical care by the referees of America's national discourse.

International Herald Tribune.

LETTERS TO THE EDITOR

Pragmatism vs. Fashion

Regarding "Lots of Fuzzy Feminist Thought in Silly Books" (Meanwhile, April 28) by Katherine Knorr:

I very much enjoyed reading Ms. Knorr's article. It was refreshing to hear from someone who is not afraid to challenge the conventional wisdom.

I am an American scientist with an academic appointment in the biophysics department at a Finnish university. Unlike American universities, where affirmative action prevails, Finnish universities operate strictly on an equal opportunity basis. In my department, 75 percent of the students are women. An even higher percentage of the program's graduates are women.

One cannot say that the women are smarter, but they certainly are willing to work harder. At present, three out of the four students doing research with me are women. My only criterion for participation in research is that they do good science in a timely fashion; that they get the job done.

I think that many of the so-called elite in American political and educational circles would prefer that people remained psychological slaves to the current fashionable preconceptions regarding race, ethnicity and gender.

I believe that we should give everyone as equal a start as possible with equal access to all opportunities and then let the cream rise to the top. Proportional representation, role models and self-esteem will not solve the problems in America's educational system.

LAWRENCE C. SELLIN, Espoo, Finland.

Reverse Harassment

Enough has been said about sexual harassment in the workplace. Hardly anything is said about women who use their sex appeal with male bosses for undue pay raises, promotions or job security. This gives them an unfair advantage over male colleagues who may be more qualified. There should be a law against giving such favors for personal gain in the workplace.

M. R. LANDIN, Annemasse, France.

The Struggle for Pakistan

President Ghulam Ishaq Khan of Pakistan has imposed himself as an undecided, unwanted dictator, dismissing two elected governments in three years for corruption — of which he himself is guilty.

The newly dismissed prime minister, Nawaz Sharif, for all his faults, was the first leader whose economic reform programs had a fair chance of bringing Pakistan into the group of successful emerging market economies. All this, as well as the process of institutionalizing democracy, has now been set back. All because of a power-hungry, unelected bureaucrat turned head of state.

Benazir Bhutto's role was disappointing, too. She let a personal vendetta against Mr. Sharif overpower her professed respect for the democratic process.

The question is: Will Pakistan have a fair election in 90 days? If not, it will become the laughingstock of the world.

MALIK SARWAR, Tokyo.

Correction

A line was dropped in "The Special Time, With Baby" (Meanwhile, May 11). The passage should read: At close range, it is easy to see his features and idiosyncrasies. Sometimes I would stand at a distance and watch my father through the gauze of dim light.

The continuing Bosnian crisis

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Cannes: Show Must Go On
Festival Seeks Glamour in Hard Times

By Joan Dupont

CANNES — The Cannes festival, which began 46 years ago, has to work hard to keep up a good, preferably glamorous, face in difficult times. This year, the organizers have vowed to deliver romance, Hollywood-style, with a poster featuring Ingrid Bergman and Cary Grant poised for a kiss.

Where are the films that confound and enchant?

and hang on to your director, invite him back in different guises; he may be called to jury duty, like Emir Kusturica, or elevated to president, like Louis Malhe, he may have a retrospective thrown in his honor, as will happen to Dino Risai, or even qualify for film-makers heaven — the full-fledged tribune, François Truffaut and Rainer Werner Fassbinder are the subjects of neo-cinephilia this year.

Berlin Theater Fest at 30
Surviving Threats of Subsidy Cuts

By John Rockwell
New York Times Service

BERLIN — The Germans, with their Federal Republic, may not be as centralized as the French, but they are certainly efficient. Sparing critics and audiences the need to trudge around the country (and Austria and German-speaking Switzerland) in search of the best theater productions of the year, they have devised a Theater-treffen, or Theater Meeting.

It is little known outside the German-speaking world.

"In 1991 we had six Berlin productions," he said. "Ever since the fall of the Wall, Berlin has become an unparalleled magnet for directors, designers and actors. All the artists want to come here. And whenever you have a theater with a new artistic director, you get a burst of good productions. Which is what happened in 1991 and 1992."

The big burst of energy this year came from the Volksbühne on the Rosa-Luxemburg-Platz in the eastern part of the city, where the director Frank Castorf took over this season as artistic director. Castorf's staging of "King Lear," an archetypically Germanic exercise in screaming, bloody excess that was really more about Castorf's ideas about Germany (he's against it) than about Shakespeare, set the tone. (It was also full of a humor so leader as to make the word "Tautonic" sound fluffy.)

Another Volksbühne offering, by the Swiss director, author and composer Christoph Marthaler, had the untranslatable title of "Murr den Murr dem Murr ihn! Murr ihn! Murr ihn!" Murr seemed to be a play on Marx, and the two hours consisted of a numbing if occasionally droll study of German, especially East German, fatuities. Berlin is also represented by productions from the Berliner Ensemble, the Schaubühne and the Deutsches Theater, all of which have been seen in its attention to other cities and especially to the German provinces.

LONDON THEATER

'Search and Destroy,' a Gritty Gangster Tale

By Sheridan Morley
International Herald Tribune

LONDON — While dramatists at the Hampstead Theatre continue a series of plays about the perilous and freak street life of urban Canada, over at the Royal Court they have become obsessed with the similar dangers of Manhattan.



Barbara Dryhurst in a scene from 'Oktoberfest.'

allowed long enough on stage for us truly to care about what befalls him or her, but the overall effect of strangers hurrying and scurrying for comfort as the world falls apart around them is wonderfully symbolized by the ever-turning stage and by the contrast between the haunting ballads of the singers and the sordid reality of those to whom the songs are sung.

man, disrupting Veraine's middle-class household with his verdant "De Muses! Slowly, facile rubbish. A poet for schoolboys and women?" This remains a tough and touching account for a doomed relationship, one that early foredoomed that of Oscar Wilde and Alfred Douglas 20 years later.

Except, of course, that we too are on the set. For "Search and Destroy," it consists of a bare stage with a flying roof, so that as the ropes tighten around the principal players, their space to maneuver can literally come down around their heads.

and Daldry gets strong reservoir dog performances out of David Bamber and a tough, versatile cast. This is an impressive debut for director and author.

This, of course, is Iaherwood country, and it has to be said that "Oktoberfest" is neither "I Am a Camera" nor "Cabaret." But in Kelvin Knight's agile production (complete with center-stage turntable) it does have a kind of fragment fascination. Social dropouts and misfits and millionaires are thrown together in a fairground that Horvath clearly saw as a metaphor for Germany in both chaos and imminent danger.

Hong Kong's Flashy Films Pursue Piece of U.S. Action

(Continued from page 1)

secret sort of thing. I love the action, the humor, the fight choreography. They're fun movies to see with a date." Mr. Stone saw his first Asian films, mostly sword-and-sorcery epics, in the Orient during the mid-1960s and would later venture frequently to Chinatown theaters in New York. He has kept up with more recent titles on laserdiscs.

ema and owner of a small mail-order video service in Miami. "It's obvious that Hong Kong movies are getting more popular. Even Blockbuster Video is stocking copies of 'The Killer' now." But not everyone is convinced that Hong Kong cinema is the Next Big Thing. "Hong Kong movies may do well on the two coasts of America," said the Asian box-office king Jackie Chan, "but it'll be hard to penetrate the average home, especially in the Midwest. They're just not exposed to the culture of Southeast Asia. I've met many Americans who ask me if Hong Kong is the capital of Japan."

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Jeffrey Reiner, who covers the entertainment industry for Time magazine in Los Angeles, wrote this for The New York Times.

Dining Out advertisement listing various restaurants in Amsterdam, Paris, Rome, and Vienna, including Brasserie de Rode Leeuw, Le Procope, Thonmieux, Le Toit de Paris, Carr's, La Colombe, Cote Seine, L'Arbuc, Le Bilboquet, and Chez Fred.

WestLB advertisement titled 'Introducing the German bank that offers finely tuned instruments in international finance: WestLB.' It includes contact information for offices in London, New York, and other international locations.

Handwritten signature or mark at the bottom of the page.

# NYSE

**Tuesday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

Symbol	Price	Change
IBM	110.00	+0.25
MSFT	55.00	+0.12
ORCL	45.00	+0.10
GE	35.00	+0.08
DU	25.00	+0.05
W	15.00	+0.03
DIS	12.00	+0.02
INTL	10.00	+0.01
AMZN	9.00	+0.01
GOOG	8.00	+0.01
MS	7.00	+0.01
HP	6.00	+0.01
EA	5.00	+0.01
TTWO	4.00	+0.01
ADBE	3.00	+0.01
CRM	2.00	+0.01
INTC	1.00	+0.01
QCOM	0.50	+0.01
TXN	0.25	+0.01
AVY	0.10	+0.01
WDC	0.05	+0.01

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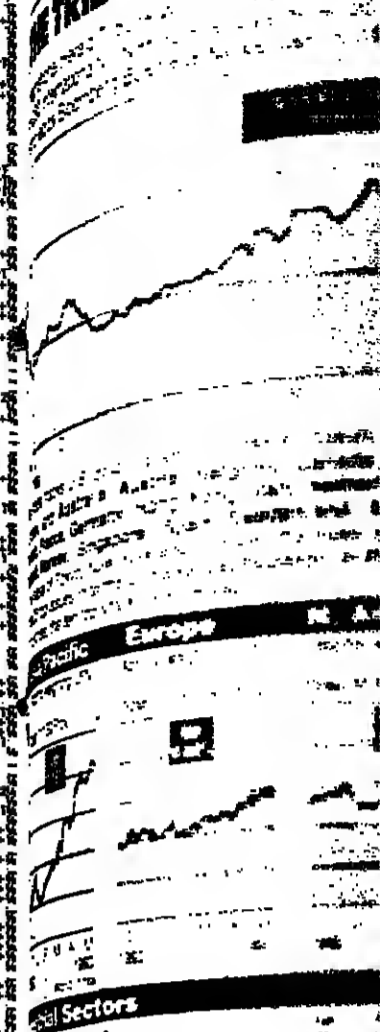


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### TRIB INDEX 100



### MARKETS

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Financial news and market analysis, including reports on various sectors and global economic indicators.

### CURRENCY

Country	Rate
USA	1.00
UK	0.75
Germany	1.66
France	6.55
Japan	163.60
Canada	0.75
Australia	0.75
South Africa	0.75
India	0.75
Brazil	0.75
Argentina	0.75
Chile	0.75
Colombia	0.75
Costa Rica	0.75
Cuba	0.75
Dominican Republic	0.75
Ecuador	0.75
El Salvador	0.75
Honduras	0.75
Hong Kong	0.75
Indonesia	0.75
Italy	1.36
Malaysia	0.75
Mexico	0.75
Netherlands	1.66
New Zealand	0.75
Norway	0.75
Peru	0.75
Philippines	0.75
Poland	0.75
Portugal	0.75
Romania	0.75
South Korea	0.75
Spain	0.75
Sweden	0.75
Switzerland	1.66
Taiwan	0.75
Tanzania	0.75
Thailand	0.75
Turkey	0.75
USA	1.00
Venezuela	0.75

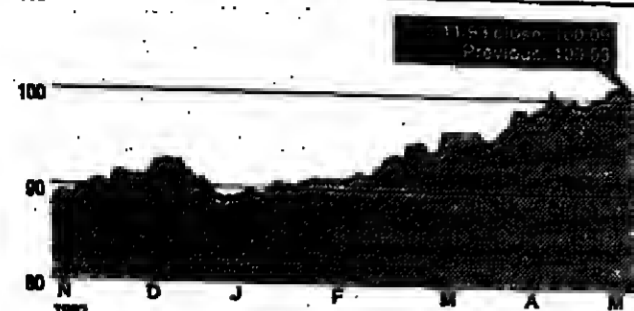
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Apr 12 1993



## THE TRIB INDEX 100.09

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific			Europe			N. America		
Approx. weighting	27%		Approx. weighting	47%		Approx. weighting	26%	
Close	111.30	Prev: 111.12	Close	97.16	Prev: 97.07	Close	98.64	Prev: 98.74

Industrial Sectors			Capital Goods			Consumer Goods			
Index	Prev. Close	% Change	Index	Prev. Close	% Change	Index	Prev. Close	% Change	
Energy	106.27	106.27	100.77	100.86	-1.06	100.50	100.50	-0.27	
Utilities	104.50	104.50	100.59	100.92	-0.36	102.04	101.63	+0.40	
Finance	102.04	101.63	+0.40	100.44	100.26	+0.18	102.54	102.93	-0.39

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 91027 Neuilly Cedex, France.

## Hong Kong Outlaws Backdoor Listings

**Bloomberg Business News**  
**HONG KONG**—Hong Kong's securities-market regulators said Tuesday they would crack down on backdoor listings to make sure minority shareholders were protected.

The move, announced by the Stock Exchange of Hong Kong and the Securities and Futures Commission in a joint statement, follows a spate of takeovers of small listed Hong Kong companies by major Chinese state-owned companies in recent weeks.

The new controls effectively put China's business giants and those who work with them on notice to operate within Hong Kong's listing and takeover rules or face penalties.

If the securities commission determines that a controlling shareholder has received any undisclosed benefit not available to all shareholders, it will not hesitate to take the strongest action open to it under Hong Kong's takeover rules, said Enmanuo Pasquato, deputy chairman of the commission.

This could mean that the parties concerned would be forced to compensate minority shareholders and that they would be denied future access to the Hong Kong stock market, Mr. Pasquato said. In addition, merchant banks and other intermediaries involved in such breaches of the Takeovers Code would face loss of their licenses.

The head of the Hong Kong stock exchange's listing division, Herbert Hui, said injections of assets in a certain period following a takeover could lead to the applicant's being treated as a new applicant for listing or in its listing status being reviewed.

A backdoor listing occurs when an unlisted company buys control of a listed one and injects some of its assets into the new vehicle. In this way, the unlisted company can in effect become listed without going through the same checking process necessary for an initial public offer.

The method has been favored by mainland Chinese companies since it was perfected by China International Trust & Investment Corp.

## 'Non' to Independence? Bank of France Overhaul Falls Short

By Barry James  
*International Herald Tribune*

**PARIS**—The government announced Tuesday its long-heralded plan to give the Bank of France a large measure of control over the nation's economic levers, but stopped short of saying it would become "independent" or "autonomous."

Neither word figured in the text of the bill containing the proposed statutes of the bank, which was made public by the finance minister, Edmond Alphandery. Under the proposal, the government will continue to have the responsibility of establishing the parity of the franc against other currencies, while the bank will retain responsibility for managing all gold and currency reserves. Its main task will be to assure price stability.

In campaigning for the March legislative elections, which the center-right won by a landslide, the Union for French Democracy called for the bank to become independent, as required by the unratified Maastricht Treaty on European Union.

This concept has been opposed, however, by some members of the UDF's coalition partner, the Gaullist Rally for the Republic, and particularly by Philippe Seguin, the president of the National Assembly, who led the narrowly unsuccessful campaign against the Maastricht treaty in last year's referendum.

Prime Minister Edouard Balladur recently has used the word "autonomy" to refer to the bank, without being precise about what he means by this.

Political and financial analysts said the definition of the bank's status was certain to be a key subject in the National Assembly debate on the bill, which is expected to become law by the end of June.

Under the current statutes, which date from 1973, the bank is described as "the institution

which, within the context of the economic and financial policy of the nation, receives from the state the general mission of watching over money and credit. It contributes to the preparation and participates in the execution of the monetary policy decreed by the government."

The proposed statutes change this essential definition to say that the bank "defines and puts into effect monetary policy with the aim of assuring the stability of prices. It accomplishes this mission within the context of the general policy of the government."

Mr. Alphandery said at a news conference that he would have preferred this to have been worded to state that the bank merely "takes into account" the government's policy.

But he said the proposed statutes had to be worded in such a way as to conform with article 20 of the constitution, which establishes that "the government determines and carries out the policies of the nation." President Francois Mitterrand warned at a cabinet meeting on Monday that the independence of the bank would not be compatible with the constitution.

This position would not have arisen had the Maastricht treaty been ratified by all 12 EC members. The treaty states that the central banks of the EC states must become independent of political authority as a condition for setting up a European central bank. If ratified, the treaty would automatically have taken precedence over national legislation.

France was not obliged to strengthen the powers of its central bank until 1999 under the treaty, but Mr. Balladur brought the issue forward to emphasize the government's determination to maintain a strong franc.

France has already amended the constitution to permit transfer of sovereignty in monetary and financial affairs to a European central bank, but the amendment

## Fiat Enjoins Executives Against Bribery

By Alan Cowell  
*New York Times Service*

**ROME**—As it seeks to extricate itself from Italy's corruption scandal, Fiat SpA on Tuesday became the first Italian company to issue a code of ethical conduct for its executives and managers since the scandal began over a year ago.

The code, an extension of Fiat's existing in-house regulations, is said by Fiat executives to be modeled on those used by leading U.S. corporations. It forbids any of the company's 300,000 employees to offer bribes of any kind—including sponsorships or consultancies—to public officials or politicians to promote corporate interests "even if under direct pressures."

A Fiat spokesman said employees violating the new code "will be dismissed from their jobs."

The document, said to have been personally ordered by Chairman Gianni Agnelli, forms part of an unfolding strategy by the Turin giant to distance itself from the scandal, first by acknowledging its part in it and then by casting itself as a moral beacon for having done so.

Since February 1992, over 1,500 people have been arrested or interrogated in connection with the investigation into the systematic payment of bribes by business to politicians.

Initially, Fiat had denied involvement. But a series of arrest warrants earlier this year against senior executives persuaded the company to think otherwise. These included the chief financial officer, Francesco Paolo Mattioli, who spent

38 days in jail; and the chief operating officer, Giorgio Garzuso, who is under house arrest.

At a board meeting on April 13, Mr. Agnelli reportedly declared: "We should work to get out of this situation as soon as possible and give Fiat's contribution to the moral and economic reconstruction of the country."

Accordingly, the managing director, Cesare Romiti, volunteered last month to give testimony to the magistrates. He presented a 20-page dossier that, according to leaked versions of the text, promised full cooperation in exposing malpractices by Fiat managers to secure contracts for subsidiaries in construction projects, the Milan and Rome subway systems, the supply of buses and the public telephone system.

## Japan Cites U.S. As Top Violator Of Trade Rules

By Paul Blustein  
*Washington Post Service*

**TOKYO**—Underlining its firm opposition to President Bill Clinton's harsh tone on trade, Japan issued a report Tuesday stating the United States violated more kinds of international trade rules than any of its other major trading partners.

In its second annual Report on Unfair Trade Policies, a panel of Japan's trade ministry sought to turn the tables, as it did in a report last year, on critics who decried Tokyo's perennially high trade surpluses and hard-to-penetrate markets.

Firing back at U.S. attacks on Japanese trade practices, Tokyo contended that in 12 categories of international trading rules, Washington was guilty of breaking nine, the European Community and South Korea six, Malaysia four and Indonesia and Thailand three. Australia, Canada, Singapore and Hong Kong were given relatively clean bills of health.

Release of the report is the latest in a series of events indicating Japan intends to be less willing than in the past to bend to foreign trade demands. "It's very rare for Japan to criticize other nations' practices," said an official of the Ministry of International Trade and Industry.

Last year's report evoked a barrage of hostility from foreign capitals, especially Washington, because of its seeming obliviousness to Japan's mounting surplus and the numerous obstacles facing foreign companies operating here.

This year's report seeks to defuse accusations of imbalance by including, as appendices, critiques of Japanese trade from the U.S. trade representative, the EC Commission and the General Agreement on Tariffs and Trade.

"Although we do not agree with all of the arguments set forth in these documents," the panel stated, "we hope that including them will contribute to a discussion of the issues."

The report reiterated many of the same points as last year's version. But it was notable for its detailed argument against "results-oriented" trade policies—the approach favored by the U.S. administration for prying open Japanese markets—and its advocacy of a "rule-based" system.

Whether to emphasize results or rules in trade is fast becoming the major issue between the two economic superpowers. Japan champions rules because its tariffs have been lowered and most of its formal trade barriers eased. The United States is demanding results—for

## EC Warns U.S. On Unitary Tax

By Knight-Ridder  
**BRUSSELS**—Christiane Scrivener, the EC tax commissioner, warned Tuesday the European Community would consider retaliation if the United States allowed states to tax multinational companies on their worldwide profits.

The Supreme Court is to rule next week on California's unitary tax system. Mrs. Scrivener said the EC would have "no other choice" than retaliation were the tax upheld.

## MEDIA MARKETS

### Sponsored Mags Tell It Like Sponsor Says It Is

**NEW YORK**—Although listed assets may be losing in the supermarket, they're gaining on the coffee table. A growing number of marketing giants are doubling as publishers, distributing glossy magazines virtually indistinguishable from titles produced by established media companies.

The magazines, which supplement conventional advertising in mainstream publications, create friendly environments for marketers to enhance their brand and corporate images.

Just as President Bill Clinton is trying to reach voters through mirthful "new media" venues that sidestep the "old media," so, too, are advertisers trying to reach consumers with sponsored magazines that circumvent regular magazines.

These include Colson, from Benetton; Master Choice, from the A & P supermarket chain; Target the Family, from the discount-store division of Dayton Hudson; and Profit, from IBM.

"We intend to take our message directly to our constituency," said Peter Frazzetta, director of communications at Benetton Services Corp., in New York, "without filtering the message through the whims and vagaries of publishers."

Colson, introduced in 1991, is sold in Benetton stores and on newsstands in 85 countries. Mr. Frazzetta said the company is considering increasing the publication's frequency from twice a year now.

The newest entrant, however, is Chanel and Sony, Chanel Inc., the U.S. unit of the French company, has introduced the English-language version of Le Magazine de Chanel, a 162-page annual publication to be distributed free to customers of Chanel boutiques. The slick magazine carries advertisements for various Chanel products interspersed with articles about Chanel fragrances, parties and shoes.

Sony Corp. of America has begun distributing 500,000 copies of Sony Style, a 302-page magazine that it intends to publish twice a year. Articles about Sony products like cellular telephones and camcorders are interspersed with advertisements for those products, and for Sony enterprises like "Last Action Hero," the Arnold Schwarzenegger film to be released June 18 by its Columbia Pictures unit.

The main complaint about sponsored magazines is that they are another manifestation of the blurring line between advertising space and editorial content.

## Harley Is Stalled, But Not by Bikes

By John Holusha  
*New York Times Service*

**NEW YORK**—Harley-Davidson Inc., the only American maker of big motorcycles, is rearing along. In the most recent quarter, operating earnings were up 67 percent, to \$15.1 million, or 40 cents a share.

Harley's motorcycles, known to many devoted buyers as "hog," are selling as fast as the company can make them, and overseas demand is going unmet as domestic dealers howl for more vehicles.

"If you walk into a Harley dealer and try to place an order, you will be told there is a waiting list of at least three months even if you don't care about the color," said Ronald Glantz, who follows the company for Dean Witter.

Other analysts project the company's motorcycle sales will grow at a 15 percent annual rate in the United States for the foreseeable future, with exports becoming a tempting opportunity for the future when Harley adds production capacity. Over the weekend, the company said it would pay its first cash dividend, 6 cents a share, in August.

But the company's stock has backed off its 52-week high of \$38.375 in early January and has recently been trading in the

mid-30s. Why the pessimism if the future seems so bright?

The answer is probably Holiday Rambler, a producer of high-priced recreational vehicles that is owned by Harley-Davidson. The RV industry, particularly on the high end, with machines of more than \$100,000 apiece, has been in a prolonged slump. Holiday Rambler stumbled to a \$90,000 loss in the first quarter.

Would the company be better off selling Holiday Rambler, since it accounts for only about 25 percent of Harley-Davidson's sales, and last year only 2 percent of its profit?

"That's the million dollar question," said Odette S. Galli, an analyst with Morgan Stanley. "The market value of the stock would appreciate considerably in one day if they did that."

Until recently, Harley management has insisted that it could fix Holiday Rambler with new models and aggressive marketing. But more recently, it acknowledged that it was regularly re-evaluating the situation.

The problem is that it would probably be hard to sell a cyclical business near the bottom of the cycle at an attractive price.

"This is a tough time to shop it around," said Jill S. Krutick of Salomon Brothers.

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MARKET DIARY

Note Auction Gives Wall Street a Boost

NEW YORK — Blue-chip stocks rose briskly Tuesday as the U.S. Treasury successfully auctioned a record amount of three-year notes, thereby reassuring investors that low interest rates should continue to support the stock market.

N.Y. Stocks

The Dow Jones industrial average outpaced the rest of the market, as a late bout of program buying appeared in focus on a half-dozen Dow components, traders said. The Dow rose 25.47 points to close at 3,468.75. Among all issues on the New York Stock Exchange, advancing stocks tipped declines by about a 5-to-4 margin. Trading was slower than usual, with about 220 million shares changing hands.

Pound's Fortunes Rise With Those of Lamont

NEW YORK — The pound recovered Tuesday from a steep drop, rallying after Prime Minister John Major said late in the day he did not plan to shuffle his government. The dollar was mixed, consolidating after a strong Monday gain.

Foreign Exchange

as the market awaited economic data to give it direction. Sterling rose to \$1.5410 from \$1.5325. In London, it advanced to 2.4804 Deutsche marks from 2.4627. The pound's rise recouped only part of a nearly four-cent loss on Monday that was spurred by rumors Mr. Major would replace Norman Lamont, the chancellor of the Exchequer.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and others. Columns include stock names, prices, and changes.

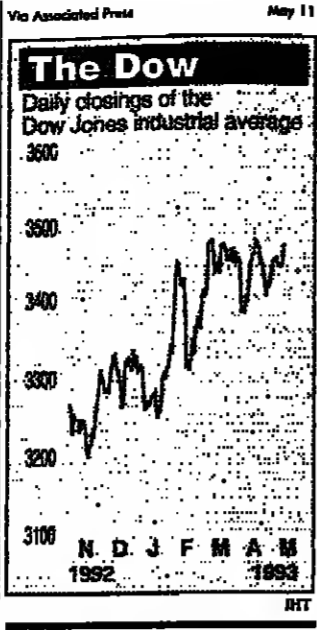


Table of Dow Jones Averages showing Open, High, Low, and Close for various indices like Industrials, Chemicals, and Utilities.

Table of NYSE Most Actives listing top trading stocks like Philip Morris, Johnson & Johnson, and others.

Table of NYSE Diary showing advanced, declined, and unchanged stocks.

Table of Amex Diary showing advanced, declined, and unchanged stocks.

Table of NASDAQ Diary showing advanced, declined, and unchanged stocks.

Table of Standard & Poor's Indexes showing various industry and market indices.

Table of NYSE Indexes showing Composite, Industrials, and other indices.

Table of NASDAQ Indexes showing Composite, Industrials, and other indices.

Table of AMEX Most Actives listing top trading stocks.

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Table of EUROPEAN FUTURES showing various futures contracts like COCOA, COFFEE, and SUGAR.

Table of EUROPEAN FUTURES showing various futures contracts like COFFEE, SUGAR, and others.

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PNC to Acquire Sears Mortgage Unit CHICAGO (Reuters) — Sears, Roebuck & Co. and PNC Bank Corp. said Tuesday they had reached a definitive agreement for PNC Bank to acquire Sears Mortgage Banking Group for \$328 million.

IBM and Blockbuster in Partnership SOMERS, N.Y. (Reuters) — International Business Machines Corp. and Blockbuster Entertainment Corp. said Tuesday they had formed a multimedia strategic partnership to provide digital entertainment products and services.

Oracle, US West Join on Multimedia SAN FRANCISCO (Reuters) — Oracle Corp. and US West said Tuesday they had entered an alliance to bring interactive information services to business, education and consumer markets by 1994.

MIPS Links With Japanese, Germans TOKYO (AP) — A leading American developer of microprocessor chips announced Tuesday a plan to develop a next-generation personal-computer chip jointly with Japanese and German partners.

For the Record Zenith Data Systems Corp., a unit of France's Groupe Bull, said the U.S. General Services Administration's board of contract appeals had overruled protests of a \$724 million contract awarded to it and Government Technology Services Inc.

Reed to Buy Airline Guides LONDON — Reed Elsevier PLC, the British-Dutch publisher, said Tuesday it had signed a letter of intent to purchase Official Airline Guides Inc., formerly part of Robert Maxwell's media empire, for \$425 million.

Greece Eases Capital Rules

ATHENS — Greece deregulated nearly all forms of capital movement on Tuesday except for some short-term forward transactions, in a push to bring the country's economy closer to its European Community partners.

U.S. FUTURES

Table of U.S. Futures showing various futures contracts like WHEAT, SOYBEAN, and others.

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Large vertical advertisement on the right side of the page, featuring 'Valeo Raise' and 'Man Striker' with a large image of a person.



# To World's Gold Miners, Chinese Consumers Are the Next Rich Lode

By Jonathan Fuerbringer

**NEW YORK** — China's growing appetite for gold, which has already given the metal's price a buoyancy not seen for a decade, has the potential to produce further price increases, according to gold analysts. When these analysts gather now, their talk turns to how China, the world's most populous nation, could be the consumer of millions and millions of ounces of gold as its economy opens and develops.

States by much, but he could not provide comparable figures because Gold Fields has not completed its consumption analyses for 1992. Total world demand last year was 3,480 metric tons, up 12 percent.

There have been several spurts to China's buying. With the expansion of the economy, Chinese now have more cash, but relatively few outlets for spending it. The threat of inflation and a drop in the value of the Chinese currency added to the buying, according to Gold Fields.

Speculation about Chinese buying has helped the price of gold rally. Between March and last week, its price jumped 9.6 percent to a nine-month high of \$358.30, from an eight-year low of \$326.90. The price of gold futures on the Commodity Exchange in New York closed Tuesday at \$357.30 an ounce, up 10 cents.

The data on Chinese buying is still secret, and government figures do not reveal very much. But the authors of the study say that the estimate of Chinese purchases, at more than 350 metric tons, is a conservative figure.

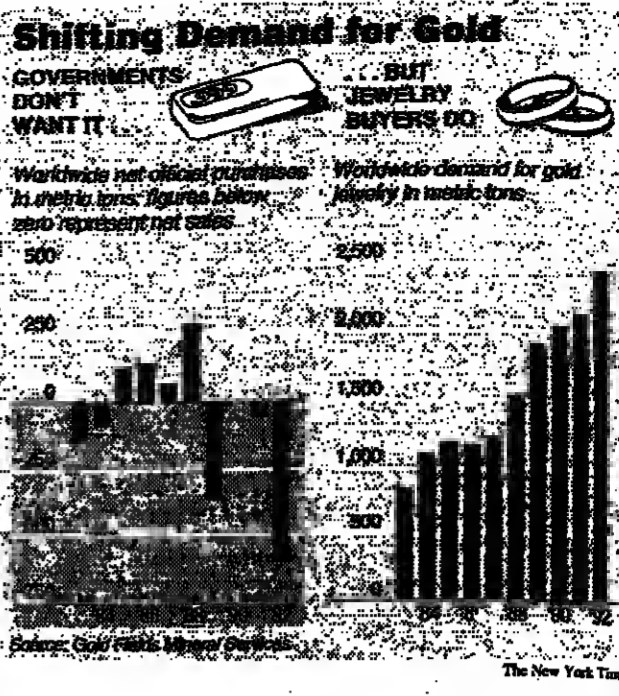
By comparison, in 1991, the latest such data available in detail, the United States accounted for 259 tons, and India, which was No. 2, 207 tons. Italy, the largest maker of jewelry by a wide margin, was the No. 3 gold consumer, with a total just over 165 tons. This includes jewelry, bars and coins.

China's movement to the top of the list reflects in part an effort to integrate the gold production and consumption of Communist countries, and formerly Communist ones like the old Soviet Union, into the global data that Gold Fields has been collecting and analyzing for 23 years.

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### Key Data

In SFr m	1991	1992	% Change
Net Revenues	66.6	68.8	3
Cash Flow	18.4	19.9	8
Net Income	14.1	14.3	2
Dividend	7.2	7.8	8
Extraordinary Dividend	—	27.0	—
Total Assets	387.0	400.9	4
Capital and Reserves	109.7	89.0	-19

Staff: 221 (1991), 212 (1992), -4 (% Change)

With stocks and bonds more buoyant than in previous years due to easing money-market rates, Ferrier Lullin was once again able to achieve satisfactory results in fiscal 1992. The nearly SFr 20m net operations generated in cash flow enabled us to raise our dividend from 24% to 26% while retaining more money to cover capital investments than in the preceding financial year. In conjunction with the restructuring of the SBC group's portfolio management

activities, the major development in our financial situation last year was the distribution of an extraordinary dividend amounting to SFr 27m. As a result, the capital and reserves reported in the balance sheet fell to SFr 89m from 110m the previous year, following allocation of 1992 net income. Even so, at over 20% of total assets and over a third of borrowed funds, they are still extremely large compared with statutory requirements.

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## North American Trade Pact Gains in Congress

**WASHINGTON** — Under intense pressure from the White House, some leading congressional critics of the North American Free Trade Agreement are toning down their opposition. A few are even saying they might support the pact after all.

The majority leader of the House of Representatives, Richard Gephardt, said in an interview Monday that he was urging Democrats to avoid taking positions now on the pact, which would eliminate trade barriers among Canada, Mexico and the United States. The Missouri Democrat said lawmakers should give the administration of President Bill Clinton time to complete its negotiations with Canada and Mexico on three side agreements.

The side agreements will cover labor and environmental issues and the surges of imports that might follow the lowering of tariffs. They are to be completed by mid-July. The Clinton administration is counting on concessions in the side agreements to win over some Democratic opponents of the pact.

Mr. Gephardt said the free-trade pact could pass Congress if the side agreements have "real teeth," as the administration has promised. He described the pact itself as "a reasonable and good thing for the United States, Mexico and Canada."

The administration concludes negotiations on the side agreements. The new stance by two of the best-known congressional critics of free trade upset some members of Congress who remain opposed to the agreement. "I don't think this is the time for us to let the debate wobble; it's time for us to sharpen the debate," said Representative Marcy Kaptur, an Ohio Democrat.

President George Bush signed the agreement last December. It will go into force next Jan. 1 if a simple majority of each house of Congress votes to put its provisions into law. Mickey Kantor, the U.S. trade representative, said last week that the administration planned to introduce the necessary legislation in August.

Lawmakers gave several reasons for the pact's brightening prospects. One reason is an administration lobbying blitz after the budget director, Leon Panetta, said three weeks ago that the pact did not have enough votes to pass in its current form. Another is a compromise struck by six environmental groups 11 days ago to support the pact if a side agreement on the environment included certain provisions.

A third reason is a decision by the AFL-CIO's executive council last week to continue pressing for broad side agreements and changes in the basic pact. Some union leaders have been calling for an immediate national campaign to kill the agreement, but were turned back by the national leadership.

## Leventhal Named New Publisher of Vanity Fair

**NEW YORK** — In yet another shake-up at Condé Nast Publications Inc., the company has announced that Kathy Leventhal will become publisher of Vanity Fair, replacing Ronald Gallotti, who has been publisher since 1990.

Ms. Leventhal was the publisher of Condé Nast's two-year-old beauty magazine, Allure.

The company said on Monday that Mr. Gallotti had resigned to pursue other interests, but his abrupt departure prompted speculation that he had been dismissed. He had been with Condé Nast since 1985, first as publisher of Madeleine and then of Condé Nast Traveler, before joining Vanity Fair, where he was considered a rising star.

S.I. Newhouse Jr., whose family owns Condé Nast, said the magazine's circulation was up, but advertising was off, partly because of uncertainty over Vanity Fair's new editor, E. Graydon Carter, who took over last summer when Tina Brown moved to The New Yorker, a sister magazine. "I think there was a question about Graydon," Mr. Newhouse said. "No body knew what he was going to do. But the magazine is doing very well."

# Which way are the Markets Moving?

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ON JUNE 9 & 10, 1993  
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Dangers And Opportunities In The World Disorder  
Anthony Sampson, Journalist and International Writer
- WHAT IS THE FUTURE OF GLOBAL INVESTING?**  
Global Asset Allocation Strategies Of The Future  
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Nicholas Knight, Head of Global Equity Strategy, Nomura, London  
Ranjana Patel, Director and Regional Economist, Jardine Fleming Broking Ltd., Hong Kong  
Henry Thornton, Investment Director, Credit Lyonnais International Asset Management, Hong Kong  
Audley Twiston Davies, Managing Director, Latin American Securities, London  
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REGISTRATION INFORMATION: The fee for the conference is £595 plus VAT at 17.5%. This includes lunch on both days the cocktail reception on June 9 and all conference documentation. Fees are payable in advance and will be refunded less a £75 cancellation charge for any cancellation received in writing on or before June 1, after which time we regret there can be no refund. Substitutions however, may be made at any time.

REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Brenda Haggerty, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England. Tel: (44) 711 836 4802 Fax: (44) 711 835 0717

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**TODAY'S BUSINESS MESSAGE CENTER**  
Appears on Page 8

**PERSONALS**  
JOAN EP: Give Joan his shapies, workmates

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# Foreign Investors in Asia Learn to Love Loopholes

**BANGKOK** — Most foreign investors facing the bewildering array of barriers in Asian stock markets just grin and bear it but some are using official loopholes to get around the rules.

From Bombay to Bangkok, foreign investors face restrictions on who they can buy shares from, how much they can buy and at what price — regulations aimed at limiting foreign influence over the stock market and blocking outsiders from taking controlling stakes in any one company, especially strategic ones.

Those outside investors, huge funds with no interest in taking majority stakes in the first place, find the restrictions irritating but inevitable and in some cases, justified.

"It does bother them," Louie Bate of Baring Securities Inc. in Manila said. "They'd rather have an open economy, but most of them agree that the Philippines is not yet big enough to defend its resources."

Foreign ownership in Manila's two stock exchanges is limited to 40 percent of a company, while in industries deemed strategic, such as retailing or broadcasting, foreigners are banned altogether.

This wariness of outsiders extends even to Singapore, which prides itself on its free markets yet maintains restrictions on ownership of key companies, such as the four largest local banks, Singapore Airlines, Singapore Petroleum Co. and listed companies in the state defense complex, Singapore Technologies.

Foreign holdings of such shares are limited to 15 to 49 percent of issued capital.

In countries where the rules are more stringent, brokers and foreign investors are far less understanding.

Seoul, which opened up to direct foreign investment only in January last year, has imposed a 10 percent ceiling on total foreign buying in any one company, so that 75 to 80 percent of brokers' top 10 picks are now already out of bounds.

Major foreign investors, particularly pension funds, are reluctant to buy piecemeal stakes in many

counters, and the lack of opportunities is forcing some investors to look elsewhere.

"With the attractive large and medium-sized counters largely taken up, there are only the smaller, less attractive shares left and they are difficult to get into due to a lack of turnover," said Henry Morris, director of institutional services at Standard Chartered Bank's Equitor Services.

In these markets, the rule for most is to be patient and wait for the market to develop.

However, not all are patient.

In Jakarta, Taipei and Bangkok, foreign investors have been getting around the rules for years by exploiting officially sanctioned dummy or nominee accounts.

In Thailand, which has a 49 percent limit on foreign ownership of most companies and 25 percent on those in the banking and finance sector, funds not restricted by their own rules can invest under someone else's name, even that of a foreign bank, as "trustee."

The only disadvantage is that they technically are

unable to collect dividends or vote their shares.

The loophole is especially important in Taiwan, where a 10 percent limit per company on foreign investment is aggravated by stringent rules on capital flows, requiring institutions to obtain approval for inward remittances and only allowing outward remittances of capital gains once a year.

In addition, foreign individuals are still barred from investing directly in the market, which analysts do not expect will change for at least two more years. The dummy accounts allow foreigners to avoid this hitch.

"It's an open secret that foreign individuals can directly invest in the market, and no one has been caught up to now," one foreign analyst said.

Investors in India, which only last year opened up its market to a maximum of 10 percent foreign investment in any one company, may be starting to look for loopholes.

"It's a stock-picker's dream," said Vallabh Bhanushali of Enam Financial Consultants.

Investor's Asia	
Country	Change
China	+0.02
India	+0.02
Indonesia	+0.02
Japan	+0.02
Korea	+0.02
Malaysia	+0.02
Philippines	+0.02
Singapore	+0.02
Taiwan	+0.02
Thailand	+0.02
Turkey	+0.02
U.S.	+0.02
U.K.	+0.02
Westpac	+0.02
Yield	+0.02
Volatility	+0.02
Correlation	+0.02
Market Cap	+0.02
Dividend Yield	+0.02
P/E Ratio	+0.02
Beta	+0.02
Source: Reuters, AFP	

**Very briefly:**

- In Japan, sales of imported vehicles rose 11 percent from a year ago to 16,641 in April, the third consecutive month of year-on-year gains, an official of the Japan Automobile Importers Association said. The April sales rise resulted mainly from higher sales of Honda's and Toyota's U.S.-made cars, and of Opels, Rovers and Volvos, the association said.
- Nikon Corp. said it had provisionally decided to name its current senior managing director, Shigeo Ono, 61, as its new president. The current president, Koji Sho, will become chairman and the current chairman, Shigetada Fukuoka, will be appointed as an adviser.
- Whirlpool Corp. of the United States said it would establish an Asian headquarters in Tokyo in July to improve its business in the Asian home-appliance market; the office initially will include eight to 10 sales and marketing, finance and business-development staff, the company said.
- China Trust & Investment Corp. for Foreign Economic Relations & Trade and China National Metals & Minerals Import & Export Corp. are to pay 362.1 million Hong Kong dollars (\$46.4 million) for a 33.75 percent stake in Hong Kong's First Pacific Bank. *Reuters, Bloomberg*

**China Ban Linked to Dispute**

**HONG KONG** — The reaffirmation by China's Ministry of Posts and Telecommunications of a ban on foreign equity interests in the Chinese telecommunications industry may be a warning to disinterested cities and provinces, analysts said Tuesday.

It may also have been part of an internal power struggle with other major ministries and agencies which are reported to have been seeking permission to build a competing network in China, they said.

"This announcement is more likely to be related to arguments over turf and the general issue of who controls the telecommunications service in China," said Andrew Hall, head of Hong Kong research at SBCI Finance Asia.

On Monday, a ministry spokesman said China regarded control of telecommunications services as a matter of sovereignty.

Despite Monday's move, analysts said the currents might be flowing against the ministry's ban as local authorities in China are desperate to improve their telecommunications services and see foreign investment as one solution.

## Playing a Long Shot in Kuala Lumpur

### Speculators Keep Throwing Big Sums at a China Gamble

**KUALA LUMPUR** — In Malaysia's hyperactive equities market this year, stocks move for the funniest of reasons. Take the case of Multi-Purpose Holdings Bhd., whose shares last month soared after the arrival of a traveling troupe of handicapped Chinese artists.

Multi-Purpose is a far-flung conglomerate controlling a number of companies including Magnum Corp., which operates a popular four-digit lottery game in Malaysia.

The holding company, which has interests ranging from real estate to shipping, is headed by Lim Thian Kiat, a 34-year-old Malaysian dealmaker who counts the fallen junk-bond king Michael Milken as a hero.

Magnum is in the running for a potentially lucrative gambling license in China's booming Guangdong province. For months, speculators have been looking for any sign that Magnum has connections in Beijing.

And during the past year, rumors have sent the stock of Magnum's parent Multi-Purpose soaring, and then crashing, on four occasions.

In mid-April, speculators went crazy when word circulated throughout Kuala Lumpur that Multi-Purpose had sponsored a tour of Chinese dancers, poets and performance artists headed by Deng Pufang, the handicapped son of Deng Xiaoping.

Investors sent the company's shares to a 52-week high of 3.18 ringgit, amid a strong market rumor that the younger Deng would announce something about the license, said Audrey Ho, senior analyst with Ong & Co. "There are diehard believers out there," he said.

They were sorely disappointed, Mr. Deng made no announcement. And China's ambassador to Malaysia, Jin Guizhu, repeated his government's position that gambling is illegal in China. Multi-Purpose has since tumbled 17 percent to 2.63 ringgit as of Tuesday.

W.K. Choy, investment analyst at Philco Peregrine Securities, said he had given up on the stock.

"Certainly, after six months, I look at the group in terms of credibility and there's not much," Mr. Choy said. "Maybe they will pull the rabbit out of the hat. I certainly wouldn't want to put my money on it."

The dream of catering to 1 billion-plus potential gamblers has lifted shares of a number of Malaysian gambling-related stocks. These companies are involved in horse racing and lotteries and are considered blue chip stocks in Malaysia.

Other Malaysian companies — notably Berjaya Group Bhd. — have won contracts to manage social-welfare lotteries in China. In other words, they pick up management fees for gambling events, whose proceeds would be used for social-welfare programs.

However, no company so far has been given a license to set up a gambling casino or lottery program for private gain.

For its part, the Kuala Lumpur Stock Exchange has started requiring Magnum and Dunlop Estates Bhd., another gaming stock that is part of the Multi-Purpose family, to report every two weeks about the progress of their lottery application in China.

Back in September, the two received "approval in principle" from local officials to set up operations in Guangdong. Yet they have not yet won any such approval from Beijing.

Even if the China lottery deal falls through, some analysts like the earnings outlook at Multi-Purpose. They believe the stock is probably worth 2.70 ringgit a share based on the fundamentals of shipping, finance and manufacturing businesses.

Multi-Purpose reported pretax profit of 304.91 million ringgit (\$119 million) last year, up 50.4 percent from 1991. Of that, 263.95 million ringgit came from gambling.

## Packer Cleans Up In Westpac Sale

**SYDNEY** — The billionaire Kerry Packer on Tuesday liquidated his six-month-old investment in troubled Westpac Banking Corp. with a profit of 100 million Australian dollars (\$70.2 million), selling most of his stake to Lend Lease Corp.

Lend Lease, a financial-services and real estate concern, becomes Westpac's second-largest shareholder with 9.95 percent of the bank's share capital. Lend Lease bought 140 million shares, or 8 percent, for 490 million dollars, or 3.50 a share.

Lend Lease has approval from Australia's treasurer, John Dawkins, to lift its stake to 15 percent. The company said it would acquire Mr. Packer's remaining 32 million Westpac shares, taking it to about 12 percent of the bank holding company, if the Westpac board approved.

Westpac "represented an investment with good upside potential" in the medium- to long-term, Lend Lease's managing director, John Morschel, said. He said the company would seek two seats on the Westpac board.

Westpac shares closed 14 cents higher at 3.78 on Tuesday.

Mr. Packer built up his 10 percent stake last November, mostly at below 3.00 dollars a share.

After a failed 1.2 billion dollar rights issue last May and a 1.56 billion dollar loss for the year to last Sept. 30, Westpac's share price slumped to a low of 2.40 dollars in

**COCO**  
L'ESPRIT DE CHANEL

## Malaysia Wants Compensation for Logging Cuts

**KUALA LUMPUR** — Malaysia, criticized by foreign environmentalists for overlogging its rain forests, insisted Tuesday that rich countries compensate tropical timber producers for drastic logging cuts.

"Buyers should be made to pay a sustainability premium for the products over and above the market prices they fetch," said Lim Keng Yaik, primary industries minister of Malaysia. He was speaking at the opening of a council meeting of the International Tropical Timber Organization.

The timber organization, which groups 50 producer and consumer nations, has set 2000 as the target year for tropical wood producers to abide by its sustainable forest management and practices.

Producers must be "given appropriate and adequate incentives for their efforts in producing sustainable tropical timber products," Mr. Lim said. Western countries must ensure a free and fair trade in tropical wood, he added.

Malaysia, Indonesia and other tropical timber producers have been criticized by Western environmentalists for destroying their rain forests. Some Western countries are demanding that wood imports come from sustainable operations.

Mr. Lim said Western nations must do more to help developing countries raise their standards of living and avoid further felling of their forests.

He said Malaysia's Sarawak state, one of the country's largest log producers, planned to cut timber output to 9.2 million cubic meters (322 million cubic feet) a year by 1994 as recommended by a panel of the timber group.

Mr. Lim put forward a deal to break a deadlock with Western nations on whether to include all internationally traded wood in an existing tropical timber accord administered by the timber group.

Under his plan, proposed ahead of timber talks in Geneva next month, separate rules would apply to tropical and temperate timber practices.

Sweden, the United States and the European Community, leading loggers of temperate forests, have resisted the extension of production limits to their industries.

## Overhaul of Bid Rules Under Fire in Japan

**TOKYO** — Plans by Japan's Construction Ministry to reform its system of bidding for public works, under strong attack from abroad, came under fire at home Tuesday.

"The Construction Ministry's reform plans did not include a single word about introduction of an open-bidding system," the country's top business newspaper, Nihon Keizai Shimbun, said in an editorial. "We are surprised that the Construction Ministry is so naive about domestic and international criticism."

The ministry unveiled on Monday measures it said would make its bidding system for public works more competitive and easier to understand. The measures clarify the qualifications needed to become a bidder and put greater weight on technical qualifications of would-be bidders. It remains up to the government to decide who is permitted to submit a bid.

The new rules allow the government to reject undesirable bidders, including those with ties to organized crime, and to help small builders compete against larger

companies, industry analysts said. But the measures do not include an open system to replace the designated bidding system, which executives and economists say, is vulnerable to bid-rigging by contractors and to political influence.

It is far from clear that these modest modifications in the screening process will translate into more contracts for foreign contractors, analysts said. That is because the reforms do not include the introduction of competitive bidding and fail to set out clear standards for contract awards.

"It is just a gimmick to deflect pressures," said Tokumatsu Iida, who follows the Japanese construction industry for James Capel Pacific in Tokyo.

Criticism at home and abroad of Japan's public-works bidding system intensified after news that leading builders made huge political contributions to the former baron of the ruling Liberal Democratic Party, Shin Kanemaru. Mr. Kanemaru was arrested earlier this year and has been charged with evading income tax.

**LEICOM FUND SICAV**  
20, Boulevard Emmanuel Servais  
L-2535 Luxembourg

**AVIS AUX ACTIONNAIRES**

Messieurs les actionnaires sont convoqués par le présent avis à l'ASSEMBLEE GENERALE ORDINAIRE DES ACTIONNAIRES qui se tiendra au siège social à Luxembourg le 21 Mai 1993 à 15 h 30, avec l'ordre du jour suivant :

**ORDRE DU JOUR**

- Rapport de gestion du Conseil d'Administration;
- Rapport de Révision d'Entreprises;
- Adoption des comptes de l'exercice au 31 Décembre 1992;
- Affectation du résultat de l'exercice;
- Décharge aux Administrateurs;
- Réélection des Administrateurs sortants;
- Démission de Monsieur Pierre Vansteenkiste du Comité Exécutif et élection de son remplaçant;
- Divers.

Les résolutions des actionnaires lors de l'Assemblée Générale Ordinaire seront votées à une majorité simple des actionnaires présents et votants.

Chaque action a un droit de vote.

Tout actionnaire peut voter par mandataire.

Pour la société,  
**BANQUE DE GESTION EDMOND DE ROTHSCHILD**  
LUXEMBOURG  
20, Boulevard Emmanuel Servais  
L-2535 Luxembourg

## TRADE: Tokyo Lashes Out

example, specific market shares for foreign products in certain Japanese markets — because, it argues, Japan's tightly knit corporate families and business-government webs discriminate against newcomers.

The United States was also cited for violating international rules by applying arbitrary measures in dumping cases involving low-priced imports; by blocking certain imports citing environmental protection and national security; and by relying on "gray-method" tactics to balance trade, such as requests for voluntary export restraints by Japan and Asian countries.

The EC's six categories of violations include an unfair anti-dumping system, the report said, and discriminatory quotas limiting certain Japanese imports. Korea maintains discriminatory barriers against Japanese cars and electronics goods, among other things. Malaysia, Thailand and Indonesia restrict imports of "numerous industrial goods" and still pose problems in protecting intellectual-property rights, the report said.

**DAIWA JAPAN FUND**  
Société d'Investissement à Capital Variable  
2, boulevard Royal, Luxembourg  
R.C. Luxembourg B-22761

Shareholders are hereby convened to the

**ANNUAL GENERAL MEETING**

of shareholders of our company, which will take place at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L - 1470 Luxembourg, on May 21, 1993 at 3.00 p.m. for the purpose of considering and voting upon the following agenda :

- Submission of the report of the Board of Directors and of the Auditor;
- Approval of the Statement of Net Assets at December 31, 1992 and the Statement of Operations for the year ended December 31, 1992;
- Allocation of the net results;
- Discharge to the Directors and the Auditor;
- Receipt and action on nomination of the Directors and the Auditor;
- Miscellaneous.

Shareholders are advised that no quorum is required for the items of the agenda of the annual general meeting and that decisions will be taken at the majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting of May 21, 1993 the owners of bearer shares have to deposit their shares five clear days before the meeting at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L - 1470 Luxembourg.

**THE BOARD OF DIRECTORS**

Handwritten signature or stamp at the bottom of the page.





g Bosnia Meeting

NYSE

Tuesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect into trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, Bid, Ask, Last, Change, % Change. Includes various stock listings.

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INTERNATIONAL FUNDS

Advertisements supplied by funds listed. Not asset values. Questions are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly.

May 11, 1993

Table with columns: Fund Name, Share Price, Change, % Change. Includes various international fund listings.

Table with columns: Fund Name, Share Price, Change, % Change. Includes various international fund listings.

Table with columns: Fund Name, Share Price, Change, % Change. Includes various international fund listings.

Table with columns: Fund Name, Share Price, Change, % Change. Includes various international fund listings.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

# SPORTS ICE HOCKEY

## Lemieux's Back, And Penguins Fly To a Big Victory

**The Associated Press**  
**PITTSBURGH** — Five games in the final of the Patrick Division championship series and it is clear that there are the Pittsburgh Penguins, and that there are the Pittsburgh Penguins with Mario Lemieux. They are not the same team.

The New York Islanders played the mostly Lemieux-less Penguins for four games, and they played

### STANLEY CUP

them dead even. The Penguins tied 2-2 in a series many thought would be over in four, felt a sense of postseason desperation for the first time since they trailed the New York Rangers, 2-1, in the 1992 division finals.

"The fifth game is a pivotal game in any series," said the Penguins' coach, Scotty Bowman. "You play that game on home ice, you've got to take advantage of it."

Did they ever. As soon as Lemieux hit the ice just before game time and skated full tilt to the Penguins' end, the Islanders hardly knew what hit them. What the Penguins did hit them with was three goals in less than two minutes — and Lemieux's line was on the ice for all three.

He finished with two goals and an assist — and he may have finished off the Islanders.

"When it's 3-0 here that early, that's the whole game right there," Kevin Stevens said following Pittsburgh's 6-3 victory Monday night.

Lemieux had tried everything to ease the sharp back pains that benched him for all but a few minutes of the first four games; therapy, no therapy, rest, exercise. Everything except traction, a procedure that helped after his back operation nearly two years ago.

With the Penguins faced with an almost must-win game, Lemieux decided desperate times called for desperate measures, so a therapist put him in traction for nearly 20 minutes Sunday afternoon.

"I felt great this morning," he said. "Every time I feel good, any time I can play to my full potential, I can be very successful."

"We knew they'd come out with a lot of fire and a lot of emotion," said the Islanders' goaltender, Glenn Healy. "You can't take eyes, one minute of the game against these guys."

Or 54 seconds, which is as long as it took Lemieux and Rick Tocchet to make it 2-0.

Lemieux scored just 19 seconds into the game off Stevens' pass, then set up Tocchet 35 seconds later. To make sure the Islanders had no chance, Lemieux directed the Penguins' power play to only its second goal in 16 chances in the series. Larry Murphy's slapshot with just 1:48 gone.

The Islanders' Jeff Norton scored 31 seconds into the second period, but when the goal light didn't immediately go on, play continued for seven seconds and referee Kerry Fraser called a slashing penalty on Brad Delgado. Just 14

seconds later, Lemieux answered with his second goal of the game.

The Islanders' coach, Al Arbour, argued that the goal wiped out the penalty, but the NHL supervisor Dave Newell said a directive to NHL officials ordered that penalties are to be assessed when play continues.

### Mogilny Has Surgery

Alexander Mogilny, the Buffalo Sabres' young Russian who scored 76 goals during the regular season and shared the NHL goal-scoring title with Winnipeg's Teemu Selanne, underwent ankle surgery, The Associated Press reported.

Gerry Meehan, the team's vice president and general manager, said the operation was a success but the team was awaiting a full medical report.

Mogilny broke his right fibula Thursday in Game 3 of the playoff series with Montreal. The Sabres were swept in four games.



Mario Lemieux had a message for the Islanders after scoring his first goal 19 seconds into the game.

## Tigers Beat Yanks in 10, Hold First Place

**The Associated Press**  
**DETROIT** — The Detroit Tigers and New York Yankees have already spent a lot of time together this season.

And Monday night, the first-place Tigers held off a challenge from the Yankees when Gary Thorman singled with the bases loaded in the bottom of the 10th inning for a 2-1 victory and a split of their four-game series. Three of the contests went into extra innings.

The surprising Tigers, who lead over the Yankees had slipped to one-half game in the

### AL ROUNDUP

American League East, have been in first place since April 23.

The last time the Tigers had three extra-inning games in a series was in August 1972 at Minnesota.

Tony Phillips started the 10th with a walk and was bunted to second by Lou Whitaker. After an intentional two-out walk to Cecil Fielder, Rich Montelone walked Kirk Gibson before Thurman lined a single to right.

"It's not the winning hit of the World Series or anything like that, but this feels good," Thurman said.

Ortola 2, Red Sox 1: Rookie Mark Leonard's eighth-inning sacrifice fly gave Baltimore its victory over visiting Boston. Leo Gomez homered for the Orioles, who have won three in a row and eight of 12 after starting the season 5-13.

Brady Anderson opened the eighth with a single, ending an 0-for-20 slump. Mark McLemore singled, and relief pitcher Ken Ryan walked Cal Ripken before Leonard hit a fly to right.

White Sox 13, Mariners 2: Chicago scored six runs in the first two innings against 20-year-old rookie Mike Hampton in Seattle and coasted to its fifth straight victory.

Robin Ventura, Frank Thomas and Dan Pasqua each hit two-run homers for the White Sox. In the ninth, Michael Huff, Bo Jackson and Pasqua homered off reliever Dennis Powell.

Rangers 7, Athletics 4: Juan Gonzalez homered in his third straight game as Texas handed best Oakland its third loss in a row. The A's dropped to 10-16, eight games behind Chicago.

Gonzalez hit his 10th home run of the season to give the Rangers a 3-0 lead in the third, one inning after Dean Palmer hit his ninth. Both were two-run shots off loser Ron Darling. Winner Charlie Leibrandt breezed through

every inning but the fourth, when the A's scored three runs on home runs by Mark McGwire and Dave Henderson.

Twins 13, Angels 3: Dave Winfield broke out of a slump with four singles to lead visiting Minnesota's 22-hit attack against California.

Shane Mack also had four hits, including a two-run home run in the seventh, and Mike Pagliarini hit a three-run homer in the eighth.

The 41-year-old Winfield had had just five hits in his previous 42 at-bats and was batting .204 entering the game. One of his hits was a bunt single.

**Ryan's Scheduled Start Is Scratched**  
 The Rangers' Nolan Ryan was scratched from Thursday's start in Oakland and returned home Tuesday to have his left hip examined, The Associated Press reported.

Baseball's all-time strikeout leader first ag-

gravated the hip last Friday night in Kansas City, when he lasted just four innings and gave up eight runs. Four earned, on seven hits and three walks. He struck out just one batter in his first start since returning from the disabled list with a right knee injury.

The 46-year-old right-hander pitched on the sidelines during batting practice Monday in Oakland and experienced inflammation in the left hip. He was to be examined Tuesday in Fort Worth by John Conway, the doctor who had performed arthroscopic surgery on his right knee April 16.

Ryan is 1-2 with a 4.50 ERA in three starts this season. He was on the disabled list from April 15 to May 6.

The Rangers said a decision on whether Ryan returns to the disabled list will not be made until results from the examination of his hip are known.

## Phillies Have Grand Time Beating Pirates

**The Associated Press**  
**PHILADELPHIA** — The Philadelphia Phillies are having a grand time, and not only with their best start ever.

Darren Daulton hit a grand slam home run in the seventh inning Monday night as the Phillies beat the Pittsburgh Pirates, 5-1. On Sunday, Mariano Duncan's grand slam beat the St. Louis Cardinals, 6-5.

"It's nice to have somebody do it every game," Daulton said, smiling broadly at the thought. "It's amazing."

It was his fourth grand slam in the major leagues. "I thought it was an out when I hit it," he said. "I didn't think I hit it that good."

Danny Jackson gave up a second-inning run, but blanked the Pirates the rest of the way as he allowed four hits, struck out six and walked two in eight innings.

Lenay Dykstra led off the seventh against Bob Walk with a single. Mickey Morandini grounded to shortstop Jay Bell, who threw wild for his first error of the season, with Dykstra advancing to third and Morandini to second on the fielder's

choice-error. Daulton then homered after Dave Hollins hit into a force out.

Mets 1, Marlins 0: Bret Saberhagen pitched a three-hitter to end a personal three-game losing streak as New York, playing at home, won for just the third time in 14 games.

The Mets, in gaining a split with Florida in the four-game series, were held to three hits by Ryan Bowen, but scored on Eddie Murray's one-out sacrifice fly in the first inning.

Reds 6, Padres 5: Tom Browning won his third straight as Barry Larkin and Kevin Mitchell each drove in two runs in Cincinnati.

Browning gave up 10 hits and two walks over six innings, but allowed San Diego just three runs. The Padres stranded eight runners — six in scoring position — and hit into two inning-ending double plays against Browning.

The left-hander has given up 25 hits in his last three games, covering 19 innings, and has a 6.92 earned-run average. The Reds' offense has bailed him out by scoring 27 runs during the three-game winning streak.

Cubs 6, Dodgers 2: Greg Hibbard retired the first 15 batters and belted visiting Los Angeles to three hits over eight innings while Dwight Smith homered and drove in three runs for Chicago.

## Midst Wars, Some Peace

*International Herald Tribune*

**LONDON** — When you have journeyed as close as the living get to hell and back, how do you settle the nerves and stimulate the emotions to treat soccer as important to man?

It helps that this Wednesday's European Cup Winners' Cup final brings to Wembley Stadium a team for whom this night represents 113 years of striving. Royal Antwerp Football Club, the oldest in Belgium, opposes Italy's Parma AC, which is likewise in its first European final.

Big stuff, but not big enough. It further helps that Saturday brings monumental events in different hemispheres. At Wembley, again, we have the world's oldest competition, the English FA Cup final between Arsenal and Sheffield Wednesday. That same day, Japan launches its J-League, which, with corporate backing that soccer never attracted in the United States, will blossom from a child of the new spring into a major sporting adult.

Most people in the game now acknowledge that Japan will be selected to play host to the World Cup 2002. The mammoth Asian populations might by then eclipse Africa's as the rising influence of world soccer. Good luck to them.

Yet my taste buds are suppressed, my senses unable to forget, where I have just been. Ostensibly, my weekend in Beirut was another soccer assignment. But the 10 World Cup qualifying matches which the Lebanese capital is host to this week are more than sport between the nations of South Korea, Bahrain, India, Hong Kong and Lebanon.

The experience is more profound than any other in my 25 years involvement with soccer. The Lebanon is attempting to breathe hope into a place which, before Bosnia, was the most dehumanizing on earth.

The ruining of old Beirut is self-destruction beyond imagination. Only heavily armed Lebanese soldiers and trees which grow wild occupy the charred remnants of a once beautiful city after 17 years of civil and international war.

I am told that even at the height of man's ultimate insanity, of brother killing brother and smashing to smithereens the environment in which each was raised, Christians and Muslims crossed their barriers to play soccer together.

**TODAY, SOCCER** offers a token to the peace. It has no pretensions of being a substitute for war, only a symbol of hope and rebuilding.

Rahif Alameh, the Lebanese federation's general secretary, and Nabil El-Raei a hospital surgeon who is the federation's president, plotted the comeback and persuaded FIFA to take this chance by sanctioning sport in a place where, six months ago, it would have been unthinkable.

In three months flat the federation's army of volunteers turned a derelict stadium into a spruce, 15,000-seat palace fit for any FIFA inspection.

The symbol of that achievement is in the contrast, the grotesque skeleton of Beirut's former national stadium, bombed beyond repair by Israelis who expected it was being used to store FLO munitions.

Three things I shall never forget. First, the relief that tempered new fanaticism among spectators at the Hammond stadium despite India, and their Hong Kong, holding the Lebanese to 2-2 draws. The loss of points hurt superficially; the euphoria comes with the future beginning to replace the past.

Second, despite the oppressive militia, armed to the eyeballs, the headiness of a people celebrating their liberation.

Third, the personal kindness, the *simra*, offered by Lebanese federation officials who were working every hour available to meet their deadline. "You are welcome," they said. "You come as a man of The Times in our new time of peace."

So how does Wembley or Tokyo follow that? Well there is a link. Antwerp, though steeped in royal patronage since King Albert I bestowed the title in 1920, reached its first major European final through survival in the extreme.

Royal Antwerp actually won only two of eight Cup Winners' Cup matches, but won the penalty shoot-outs, won on away goals, won on perseverance. Parma showed similar tenacity, yielding no goals in six of eight performances and scoring on breakaways.

**BUT ABOVE** their caution, these teams succeed by being clubs of the new world, by blending foreigners in amongst their nationals. Parma, fourth in Italy's first division despite crowds less than a quarter of those attending on the Milan grounds and Juventus, uses the purse of the food chain Parmalat to import players of the caliber of Brazilian goalkeeper Claudio Taffarel, of Swedish forward Tomas Brodin, of Fazio Aspellia, the swift and rangy if alarmingly accident-prone Colombian.

Add to those the toughness of an Italian-based Belgian, Georges Grm, and the true class of defender Alberto Di Chiara and striker Alessandro Melli, and the conundrum becomes who to leave out to satisfy the three-foreigner rule and the competition for places.

Antwerp, on a budget low even by Belgian standards, has its own league of nations, its own symbol of sport resisting the madness of neighbor slaying neighbor.

Two of the three goalkeepers employed by the club are Serbs, Stevan Stojanovic who won a Champions Cup medal with the Star Belgrade in 1991, and Ranko Svidar, who at 43 is the oldest player active in Belgium. The Serbs co-exist in Antwerp with Dragan Jakovic, a Bosnian from Sarajevo who swoops to score vital goals from midfield. With Serbian resistance at one end, and a Bosnian strike force at the other, the Antwerp story reverses recent history in the "real" world.

But there is more diversity in the camp. When the manager, Walter Meeuwis, selects his lineup, he looks at Kari Ukkonen, a Finn, at Hans-Peter Lehmann, a German, at Noureddine Mokjirin, a Moroccan. All are midfielders.

They serve two front-runners who are Belgian by birth. Francis Severeyns and Alexander Cernuliyanski. The latter, as his name and his unpredictable temperament suggest, is as full-blooded a Belgian as most of the successful scorers in the Belgian league.

His origins are Polish, with parents who sought work and supplied their adopted homeland with a scorer whose ability has done much to put Belgium on the road to the World Cup USA.

As he knows, and as the Lebanese soccer officials say, it is not a question of birthright, religion or politics. What counts is how he plays soccer.

*Rob Hughes is on the staff of The Times.*

### Rijkard Tells Milan: I More Year

Dutch midfielder Frank Rijkard will play just one more season for Italian champion AC Milan before ending his career in a more relaxed environment, Reuters reported.

"We have reached an agreement on the extension of Rijkard's contract. It will be for one more season," Milan's director, Adriano Galliani, told the Gazzetta dello Sport on Tuesday.

"There will not be an option to extend it further. Next year will be the last, in line with Frank's stated wishes."

Rijkard, 31 in September, said he wanted to leave the European Cup finalist before his abilities began to wane.

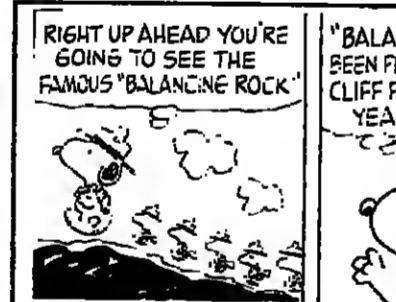
He has won two European Cups and an Italian title after joining Milan and Dutch compatriots Ruud Gullit and Marco van Basten in 1988.

Van Basten recently signed a lucrative three-year contract extension while Gullit is set to sign to stay with the club for another season. Gullit, who has a history of knee trouble, has said he has yet to decide whether to continue playing beyond 1994.

### DENNIS THE MENACE



### PEANUTS



### CALVIN AND HOBBES



### BLONDIE



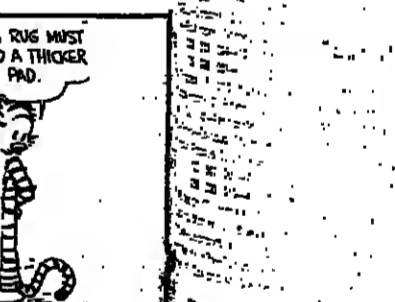
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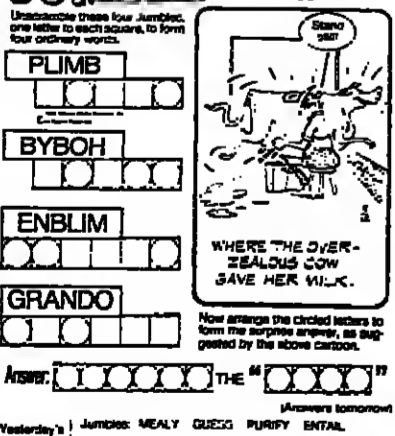
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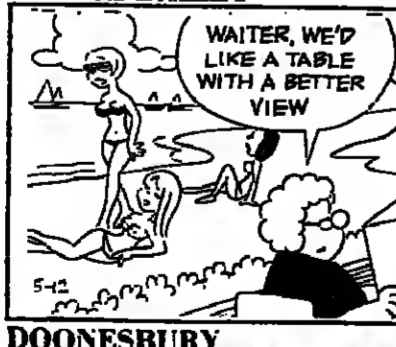
### GARFIELD



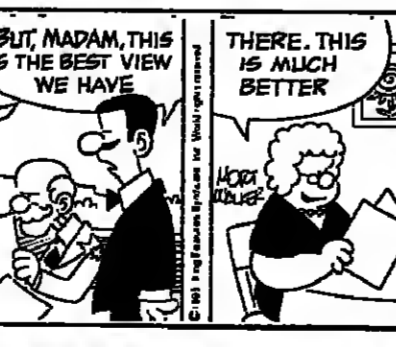
### JUMBLE



### BEETLE BAILEY



### DOONESBURY



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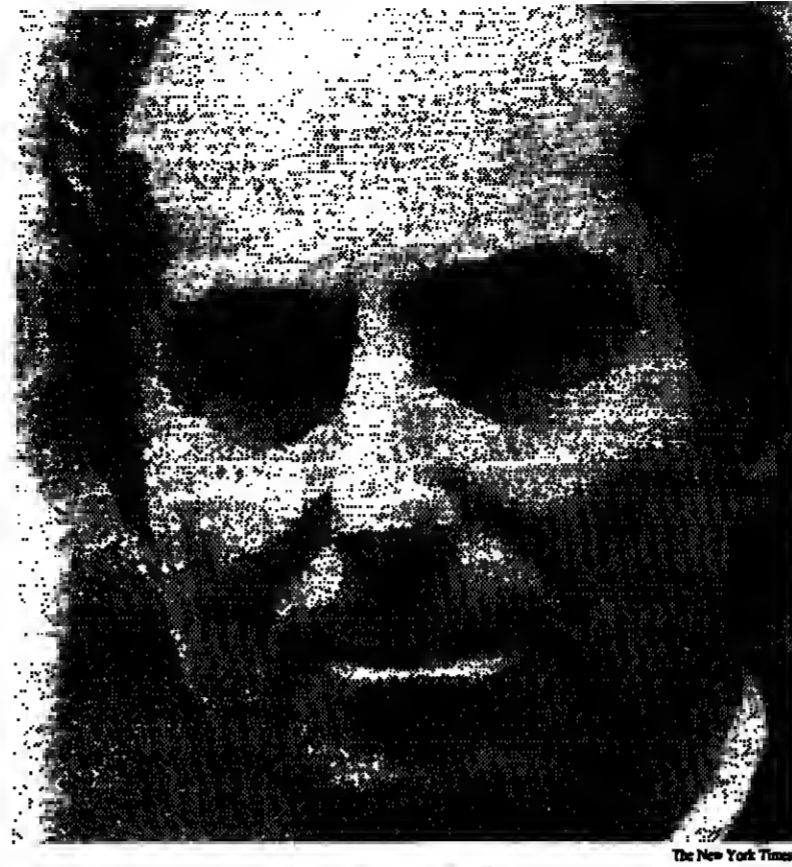
What's in a Naming?

By Russell Baker
NEW YORK — The latest J. Edgar Hoover news is that Walt Disney, too, was in the late FBI director's pocket. Ronald Reagan we already knew about. Both were name namers for Hoover.

Will the Real Philip Roth Please Stand Up

By David Streitfeld
Washington Post Service

NEW YORK — Poor Philip Roth. It's been nearly a quarter-century since "Portnoy's Complaint" created an indelible image of Roth as an obsessive masturbator who is fixated on Philip Roth and writes novels about the difficulties of being Philip Roth, occasionally surfacing on their publication to wax wroth about how these are really novels and not crypto-autobiographies, and shame on you for thinking otherwise.



Author Roth: "Life is a mess of contradictions."

Unfortunately, critics and journalists have been saying it's preposterous anyway. Maybe it's a plot to kill the book, or drive Roth nuts. Or maybe they think he enjoys this sparring.

"Portnoy's Complaint" — as well as its strategy, the psychoanalytic monologue — it seems to invite for ordinary people who are not skilled readers the interpretation that this must be a confession. In those days I did barely any interviews, but when I heard the book discussed and I read about it, there it was. So I said, as anybody would, "You're mistaken."

PEOPLE

9 Tony Nominations To 'Angels in America'

"Angels in America: Millennium Approaches" received nine Tony Awards nominations, including best play, the most for any play since the Tonys began in 1947. Tony Kushner, the author of "Angels in America," was nominated, as were five of the eight actors in the play's ensemble.

WEATHER

Table with weather forecasts for various regions including Europe, North America, Asia, Middle East, and Latin America. Columns include location, today's weather, and tomorrow's weather.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of May 11.

BOOKS

LA MARAVILLA
By Alfredo Vea Jr. 305 pages. \$21. Dutton.
Reviewed by Sam Harrison
ONE of the products of the centuries-old great collision between the Catholic Spain of the conquistadores and the existing Native American cultures has been a literature resonating with the crazy harmonics of that union while screaming its discord.

BEST SELLERS

Table of best-selling books categorized by Fiction and Nonfiction. Lists book titles, authors, and their respective best-seller ranks.

Large advertisement for AT&T USADirect Service. Features the slogan "Speed up the approval process." and a list of international access numbers for various countries like Austria, Bahrain, Belgium, etc.